

Pre-approval or final approval of City Council and City Manager travel related expenses

August 7, 2025

AWC Annual Conference

June 24-27, 2025

Kennewick, WA

Budgeted 2 councilmembers – Mohamed Egal and Joe Vinson

Estimate: \$1,710 per attendee = \$3,420

Pre-Approval and Expenses
Mohamed Egal Documentation: Travel Accounting Form \$437.34 Trip Report

Pre-Approval and Expenses
Joe Vinson Documentation: Trip Report


Local Progress National Convening 2025

July 10-12, 2025

Chicago, IL

Budgeted: yes

Pre-Approval and Expenses
Iris Guzmán Documentation: Travel Accounting Form \$406.39 Trip Report



Chair
Senayet Negusse

Entrance Conference

City of SeaTac

Paul Griswold
Audit Manager

Rebecca Nyanjui
Audit Supervisor

Lucas DeGagne
Audit Lead

August 7, 2025



Office of the
Washington
State Auditor
Pat McCarthy

Audits that Matter



Accountability

Financial

Performance Audits

Cybersecurity Audits

Unauditable Governments

Citizen Hotlines

Federal

Fraud/ Whistleblower Investigations

Other Engagements



Pat McCarthy
State Auditor

2,724 audits conducted

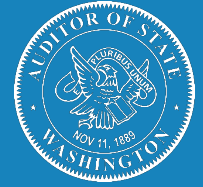
(July 1, 2023 – June 30, 2024)

Accountability Audit

January 1, 2024 through December 31, 2024

Using a risk-based audit approach for the City we plan to evaluate the following areas:

- Audit areas will be determined at a later date.



Financial Statement Audit

January 1, 2024 through December 31, 2024



Opinion Issuance

- Opinion will be issued in accordance with U.S. GAAP
- Audit conducted in accordance with *Government Auditing Standards*

Internal Control and Compliance over Financial Reporting

- Assess adequacy of accounting and financial statement preparation processes at preventing material misstatements
- Identify whether there are instances of material noncompliance

Federal Grant Compliance Audit

January 1, 2024 through December 31, 2024



Opinion Issuance

- Opinion will be issued in accordance with *Government Auditing Standards* and the Uniform Guidance

Internal Control and Compliance over Major Programs

- Assess adequacy of federal grant processes at preventing non-compliance
- Identify whether there are instances of material non-compliance

Major Programs Selected for Audit



ALN	Program or Cluster Title	Total Amount Expended
21.027	COVID 19 - Coronavirus State and Fiscal Recovery Funds	\$2,228,050

These costs amount to about 52 percent of the total federal expenditures for 2024



Levels of Reporting



Findings

Management
letters

Exit items



Important Information

Confidential
Information

Audit Costs

Audit
Dispute
Process

Loss
Reporting

Reporting Cybersecurity Issues

Reporting to the Attorney General's Office (AGO)

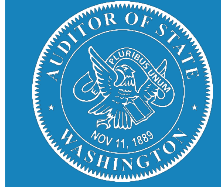
- Reporting required for single security incidents affecting >500 Washington residents
- Find out more about reporting requirements and how to report at www.atg.wa.gov/data-breach-notifications

Reporting to the State Auditor's Office (SAO)

- Reporting may be required for cyber-security events involving financial records or finances, regardless of number of affected parties.
- To learn more, please visit <https://sao.wa.gov/has-your-government-experienced-a-cybersecurity-issue-here-is-when-and-how-to-report/>



Peer Reviews of Washington State Auditor's Office



“Who audits the State Auditor?”

- To ensure our audits satisfy government auditing standards, our Office receives external peer reviews every three years by the National State Auditors Association (NSAA)
- Most recent peer review results are available online at www.sao.wa.gov/about-sao/who-audits-the-auditor/
- Rating received: “Pass”, the highest level of assurance that an external review team can provide

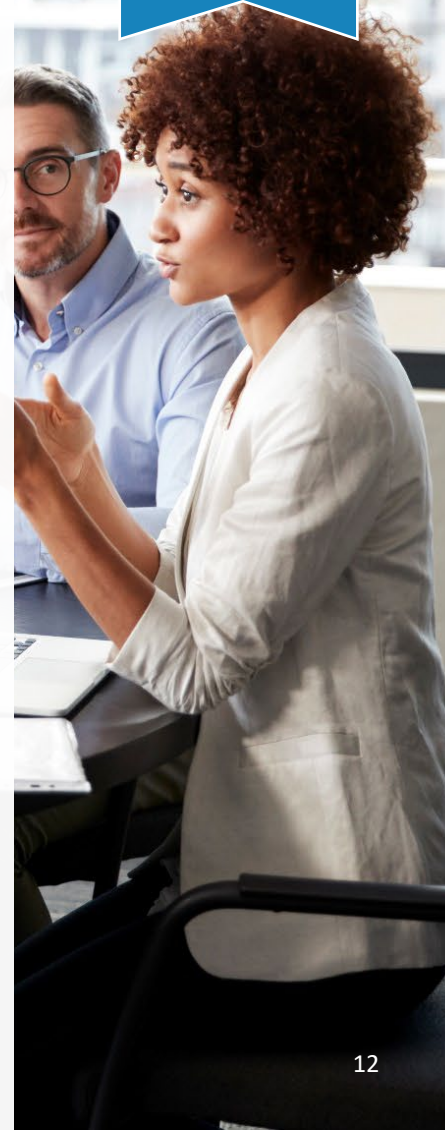
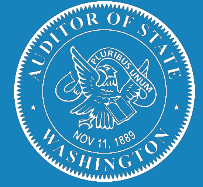
Working Together to Improve Government

Local Government Support Team

- BARS & Annual Online Filing
- Accounting and Reporting Training
- Client portal, including helpdesk

The Center for Government Innovation

- Free tools, resources and services to help you solve problems and improve operations.



SAO's Center for Government Innovation offers:



- **Cyber checkups** to assess your government's vulnerability to common cybersecurity threats
- **Customized Lean facilitations & trainings** to help you improve how work gets done
- **Teambuilding workshops** to help you strengthen your team, increase trust, and promote workplace harmony
- **Financial Intelligence Tool (FIT)** data to help you monitor your government's financial health



Contact the Center today! 564-999-0818 ▪ center@sao.wa.gov ▪ www.sao.wa.gov/

Fraud-prevention resource for elected officials and appointed board members

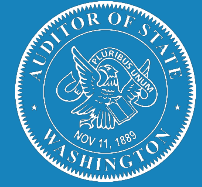


The guide is organized into three sections:

- **Preventing fraud:** Includes tips to consider when establishing a fraud policy and assessing your risk
- **Detecting fraud:** Offers tips for improving your fraud-detection abilities, including a list of three review strategies
- **Responding to fraud:** Provides guidance on developing a fraud response plan, communicating to the media and public, and reporting known and suspected losses to SAO



Questions?



Contact Paul Griswold, Audit Manager

Paul.Griswold@sao.wa.gov

(425) 510-0482



Office of the Washington State Auditor

Pat McCarthy

Entrance Conference: City of SeaTac

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share our planned audit scope so that we are focused on the areas of highest risk. We value and appreciate your input.

Audit Scope

Based on our planning, we will perform the following audits:

Accountability audit for January 1, 2024 through December 31, 2024

We will examine the management, use and safeguarding of public resources to ensure there is protection from misuse and misappropriation. In addition, we will evaluate whether there is reasonable assurance for adherence to applicable state laws, regulations and policies and procedures.

We plan to evaluate the following areas

- Areas will be determined at a later date.

Financial statement audit for January 1, 2024 through December 31, 2024

We will provide an opinion on whether your financial statements are presented fairly, in all material respects, in accordance with the applicable reporting framework. The audit does not attempt to confirm the accuracy of every amount, but does search for errors large enough to affect the conclusions and decisions of a financial statement user.

Federal grant compliance audit for January 1, 2024 through December 31, 2024

This audit is required by federal law when a local government spends \$750,000 or more annually in federal financial assistance. We will provide an opinion on compliance with federal requirements that could have a direct and material effect on your major federal programs.

We plan to test the following federal program:

- COVID-19 Coronavirus State and Local Fiscal Recovery Funds, 21.027

This report must be submitted, along with the Data Collection Form, to the federal clearinghouse within 30 days after receipt of the report or nine months after the end of the audit period, whichever is earlier.

Engagement Letter

We have provided an engagement letter that confirms both management and auditor responsibilities, and other engagement terms and limitations. Additionally the letter identifies the cost of the audit, estimated timeline for completion and expected communications.

Levels of Reporting

Findings

Findings formally address issues in an audit report. Findings report significant results of the audit, such as significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations or policies. You will be given the opportunity to respond to a finding and this response will be published in the audit report.

Management Letters

Management letters communicate control deficiencies, non-compliance, misappropriation, or abuse that are less significant than a finding, but still important enough to be formally communicated to the governing body. Management letters are referenced, but not included, in the audit report.

Exit Items

Exit items address control deficiencies, non-compliance with laws or regulations, or errors that have an insignificant effect on the audit objectives. These issues are informally communicated to management.

Important Information

Confidential Information

Our Office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws.

Audit Costs

The cost of the audit is estimated to be approximately \$124,000 plus travel costs.

Expected Communications

During the course of the audit, we will communicate with Christina McCall, Sr. Accounting Analyst, on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed.

Please let us know if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect Christina McCall to keep us informed of any such matters.

Audit Dispute Process

Please contact the Audit Manager or Assistant Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

Loss Reporting

Washington state law requires all state agencies and local governments to immediately notify SAO if staff know or suspect loss of public resources, or of other illegal activity including a cyber-attack if it resulted in a loss of public resources or potentially impacted financial records or systems. State and local government employees should alert us to suspected fraud through the online Report a Suspected Fraud or Loss form below. These notifications can be made on our website at www.sao.wa.gov/report-a-concern/how-to-report-a-concern/fraud-program.

Peer Reviews of the Washington State Auditor’s Office

To ensure that our audits satisfy Government Auditing Standards, our Office receives external peer reviews every three years by the National State Auditors Association (NSAA). The most recent peer review results are available online at www.sao.wa.gov/about-sao/who-audits-the-auditor. Our Office received a “pass” rating, which is the highest level of assurance that an external review team can give on a system of audit quality control.

Working Together to Improve Government

Audit Survey

When your report is released, you will receive an audit survey from us. We value your opinions on our audit services and hope you provide us feedback.

Local Government Support Team

This team provides support services to local governments through the Budget, Accounting, and Reporting System (BARS) and annual online filing technical assistance, provides accounting, reporting and BARS training. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions, updated BARS manuals, access to resources and recorded trainings, and additional accounting and reporting resources. Additionally this team assists with the online filing of your financial statements.

Stay informed on current and upcoming accounting implementations at https://sao.wa.gov/sites/default/files/bars-files/GASB_Accounting_Changes.pdf

The Center for Government Innovation

The Center for Government Innovation of the Office of the Washington State Auditor offers services designed to help you, help the residents you serve at no additional cost to your government. What does this mean? They provide expert advice in areas like building a Lean culture to help local governments find ways to be more efficient, effective and transparent. The Center also provides financial management technical advice and best practices and resources. These can be accessed from the “Improving Government” tab of our SAO website and help you act on accounting standard changes, comply with regulations, protect public resources, minimize your cybersecurity risk and respond to recommendations in your audit. The Center also offers the Financial Intelligence Tool, better known as FIT, to help you assess and monitor your finances and compare your financial operations to other local governments like you. You can email the Center for a personal training session to learn all the benefits using the FIT tool can provide. The Center understands that time is your most precious commodity as a public servant, and wants to help you do more with the limited hours you have. Learn more about how the Center can help you maximize your effect in government at <https://sao.wa.gov/improving-government/center-government-innovation>.

Explore the latest resources in our Resource Library at <https://sao.wa.gov/improving-government/resource-library>.

Audit Team Qualifications

Tina M. Watkins, CPA, Director of Local Audit – Tina has been with the Washington State Auditor’s Office since 1994. In her role, she oversees the audit teams that perform the audits for over 2,200 local governments. She serves on the Washington Finance Officers Association Board. She served as Assistant Director of Local Audit for 8 years prior to becoming the Director of Local Audit. Phone: (360) 260-6411 or Tina.Watkins@sao.wa.gov

Wendy Choy, Assistant Director of Local Audit - Wendy has been with the Washington State Auditor's Office since 2002. In her role as Assistant Director, she assists with statewide oversight and management of all the audits for local government. She is also the program manager for public hospital districts. She served as an Audit Manager for six years prior to becoming an Assistant Director of Local Audit. Phone: (425) 502-7067 or Wendy.Choy@sao.wa.gov

Paul Griswold, Audit Manager – Paul has been with the Office of the Washington State Auditor since 2018. Notable work experience includes serving as Team South King County Audit Manager since November 2024. Previously, Paul served as an audit supervisor on Team Olympia and audit staff on Team Everett. Paul has experience with a broad spectrum of engagements including local government audits, fraud investigations and attestation engagements. Paul also previously served as a statewide subject matter expert over Housing Authorities. Prior to joining SAO, he worked as a tax accountant. In addition, he also has previous government and non-profit experience working in various roles. Phone: (425) 510-0482 or Paul.Griswold@sao.wa.gov

Rebecca Nyanjui, Assistant Audit Manager– Rebecca has been with the Office of the Washington State Auditor since 2018. During her time with the Office Rebecca has been part of the South King County Team covering state and local governments throughout the King County region. Rebecca has a Masters of Science in Accounting from University of Washington Bothell. Phone: (253) 893-6841 or Rebecca.Nyanjui@sao.wa.gov

Lucas DeGagne, Audit Lead – Lucas has been with the Office of the Washington State Auditor since 2020. During his time with the Office Lucas has been part of the South King County Team covering state and local governments throughout the King County region. Phone: (253) 893-6622 or Lucas.DeGagne@sao.wa.gov



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

August 3, 2025

City Manager and City Council
City of SeaTac
4800 South 188th Street
SeaTac, WA 98188

We are pleased to confirm the audits to be performed by the Office of the Washington State Auditor, in accordance with the provisions of Chapter 43.09 RCW, for the City of SeaTac. This letter confirms the nature and limitations of the audits, as well as responsibilities of the parties and other engagement terms.

Office of the Washington State Auditor Responsibilities

Financial Statement Audit

We will perform an audit of the basic financial statements of the City of SeaTac as of and for the fiscal year ended December 31, 2024 prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The objective of our audit will be to express our opinion on these financial statements.

We will perform 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, rather than absolute, assurance about whether the financial statements are free from material misstatement. Since we do not review every transaction, our audit cannot be relied upon to identify every potential misstatement. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the standards identified above.

A financial statement 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 relevant internal controls 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 internal control. Accordingly, we will express no such opinion.

Although our audit is not designed to provide an opinion on the effectiveness of internal control over financial reporting, we are required to report any identified significant deficiencies and material weaknesses in controls. We are also required to report instances of fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the accuracy of financial statements.

A financial statement 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.

All misstatements identified by the audit will be discussed with management. Material misstatements corrected by management and all uncorrected misstatements will be communicated at the exit conference, as required by professional auditing standards.

Our responsibility is to express in a written report an opinion on the financial statements based on the results of our audit. We cannot guarantee an unmodified opinion. We may modify or disclaim an opinion on the financial statements if we are unable to complete the audit or obtain sufficient and appropriate audit evidence supporting the financial statements. If our opinion is other than unmodified, we will fully discuss the reason with you prior to issuing our report. Further, in accordance with professional standards, we may add emphasis-of-matter or other-matter paragraphs to our report to describe information that, in our judgment, is relevant to understanding the financial statements or our audit.

We will also issue a written report (that does not include an opinion) on issues identified during the audit related to internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.

The City also prepares other information to accompany the financial statements, which is required by accounting standards or is done at its discretion. We will perform limited procedures on this information for the purpose of identifying inconsistencies with the financial statements. However, we will not express an opinion on its fair presentation.

Federal Single Audit

We will also perform a federal single audit on compliance with, and report on internal control over compliance for, each major program for the fiscal year ended December 31, 2024 in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the audit is properly planned and performed in accordance with these standards and the Uniform Guidance.

In planning and performing the compliance audit, we will consider internal control over compliance in order to determine the appropriate auditing procedures necessary for opining on compliance with each major program, and for testing and reporting on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we will express no such opinion. Although our audit is not designed to provide an opinion on the effectiveness of internal control over compliance, we are required to report any identified significant deficiencies and material weaknesses in controls.

We estimate the federal single audit will cover one federal grant programs, which will be identified at the audit entrance conference. If additional grant programs are audited to satisfy the requirements of the Uniform Guidance, the audit budget discussed below will increase by approximately \$8,500 per additional major program.

Upon completion of our audit we will issue a written report containing our opinion on compliance for each major program and a written report on internal control over compliance. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, issue a disclaimer of opinion, or add an emphasis-of-matter or other-matter paragraph(s) to the report.

Accountability Audit

We will perform an accountability audit of compliance with applicable state laws, regulations, and policies, and of controls over the safeguarding of public resources for the fiscal year ended December 31, 2024. The audit will be conducted in accordance with provisions of RCW 43.09.260 and the Office's audit policies, which include policies specific to these types of audits and general audit policies. Our general audit policies apply to all our engagements and incorporate the requirements of *Government Auditing Standards*, as applicable, on topics such as communications with auditees, independence, audit evidence and documentation, and reporting.

An accountability audit involves performing procedures to obtain audit evidence about compliance and controls in areas selected for audit. In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. The areas examined and procedures selected depend on the auditor's judgment, including the assessment of the risks of fraud, loss, abuse, or noncompliance.

Upon completion of our audit, we will issue a written report describing the overall results and conclusions for the areas we examined.

Data Security

Our Office is committed to appropriately safeguarding the information we obtain during the course of the audit. We have entered into a data sharing agreement with the City to ensure compliance with legal requirements and Executive Directives (Executive Order 16-01, RCW 42.56 and OCIO Standard 141.10) in the handling of information considered confidential.

Responsibilities specific to this engagement

Additionally, we will:

- Provide management with advanced notification if we identify issues that require further audit work and increase audit costs.
- Participate in weekly progress meetings to discuss the status of the audit plans for future weeks. At those meetings, we will provide information on the departments we will work in and the audit objectives we will be addressing.
- Conduct a formal entrance conference on the financial and single audits on or before August 10, 2025. The entrance conference on the accountability audit may be conducted at a later date if we have not completed planning for that audit.
- Conduct a formal exit conference to discuss results of the financial and single audits on or before September 30, 2025. The exit conference on the accountability audit may be conducted at a later date since our audit work may not be completed by the end of September.
- Provide our financial statement opinion by September 30, 2025 provided the financial statements we receive for audit are free of significant or numerous errors and the City fulfills its requirements listed in the succeeding Client's Responsibilities section.
- Provide our Single Audit opinions by September 30, 2025.
- Interact with staff professionally and respectfully and communicate needs and issues in a timely manner. We will notify the City the previous day, if we know that audit staff will not be onsite the subsequent day(s)
- Provide written correspondence during the course of the audit through email to the audit liaison, Christina McCall, Sr. Accounting Analyst.
- Provide advance notice when a scheduled meeting is to be cancelled.
- Allow the City seven days to provide a written response to any findings.

Reporting levels for audit issues

Issues identified through the auditing process will be communicated as follows. Failure to appropriately address audit issues may result in escalated reporting levels.

- **Findings** formally address issues in an audit report. Findings report significant results of the audit, such as significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations, contracts or grant agreements. You will be given the opportunity to respond to a finding, and this response, or a synopsis of it, will be published in the audit report. Professional auditing standards define the issues we must report as findings with regard to non-compliance with a financial statement effect and internal controls over financial reporting. The Uniform Guidance defines the issues we must report as findings with regard to non-compliance and internal controls over compliance with federal grants.
- **Management letters** communicate control deficiencies, non-compliance, misappropriation, abuse, or errors with a less-than-material effect on audit objectives. Management letters are referenced, but not included, in the audit report.
- **Exit items** address control deficiencies, non-compliance, abuse, or errors that have an insignificant effect on audit objectives. These issues are informally communicated to management and are not referenced in the audit report.

Client's Responsibilities

Management is responsible for the accuracy and completeness of information provided to the auditor and will provide the Office of the Washington State Auditor with:

- Unrestricted access to people with whom the auditor wishes to speak.
- All information that is requested or relevant to auditor requests.
- Notification when any documents, records, files, or data contain information that is covered by confidentiality or privacy laws.

- Adequate workspace and conditions, including interacting with auditors professionally and respectfully and promptly communicating about any issues and concerns.

Moreover, our audit does not relieve management or the governing body of their responsibilities. Management's responsibilities, with oversight from the governing body, include:

- Selecting and applying appropriate administrative and accounting policies.
- Establishing and maintaining effective internal controls over financial reporting, compliance, and safeguarding of public resources.
- Designing and following effective controls to prevent and detect fraud, theft, and loss.
- Promptly reporting to us knowledge of any fraud, allegations of fraud or suspected fraud involving management, employees or others, in accordance with RCW 43.09.185.
- Ensuring compliance with laws, regulations and provisions of contracts and grant agreements.
- Preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).
- Preparing the following supplementary information:
 - Schedule of Expenditures of Federal Awards (including notes and noncash assistance received) that includes all expenditures from federal agencies and pass-through agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance in accordance with Uniform Guidance 2 CFR § 200.510 requirements
 - Combining Statements in accordance with Generally Accepted Accounting Principles
- Including the auditor's report on the supplementary information in any document that both contains the supplementary information and indicates that the auditor reported on the supplementary information.
- Either presenting the supplementary information with the audited financial statements or, if the supplementary information will not be presented, making the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information and auditor's report thereon are issued.
- Identifying all federal awards received.
- Understanding and complying with the provisions of laws, regulations, contracts, and grant agreements, including applicable program compliance requirements.
- Establishing and maintaining internal control over compliance, including establishing and maintaining effective controls that provide reasonable assurance that the City administers government programs in compliance with the compliance requirements.
- Evaluating and monitoring compliance with federal award requirements.
- Informing us of the City's relationships with significant vendors who are responsible for program compliance
- Submitting the reporting package and data collection form through the Federal Audit Clearinghouse.

Responsibilities at the conclusion of the audit

At the conclusion of our audit, the City will provide us with a letter to confirm in writing certain express and implied representations made during the course of the audit. This letter includes representations regarding legal matters. A separate letter may be needed from the City's legal counsel.

Management and the governing body are also responsible for following up and taking corrective action on all audit findings, including, when applicable, preparing a summary schedule of prior audit findings and a corrective action plan on the City's own letterhead.

Responsibilities specific to this engagement

Additionally, the City will:

- Provide final financial statements and Schedule of Expenditures of Federal Awards for audit for audit to our Office before end of July 2025.
- Provide our Office with documentation of the financial statement review and approval before they were submitted for audit.
- Obtain a clear understanding of accounting standards applied in your financial statements and fully understand any adjusting journal entries recommended by the Office of the Washington State Auditor before approving the entries.
- Revise financial statements and schedules only if agreed to in writing by our Office.
- Provide auditors with adequate workspace with access to secure Internet, phone, and electrical outlets.
- Provide a secure room with locking file cabinet and limited access to allow auditors to secure documents with sensitive information while working onsite.
- Interact with auditors professionally and respectfully and promptly communicate issues and concerns.

Estimated Audit Costs and Timeline

We estimate the cost of the audit work to be \$124,000 plus travel costs, and other expenses, if any. Invoices for these services will be prepared and presented each month as our audit work progresses.

We anticipate our reports will be published on our website www.sao.wa.gov and be available to you and the public as outlined below. These estimates are based on timely access to financial information and no significant audit reporting issues. The estimated cost and completion date may change if unforeseen issues arise or if significant audit issues are identified necessitating additional audit work. Currently, we estimate an additional \$3,000 per significant audit reporting issue. We will promptly notify you if this is the case.

Report	Date*
Independent Auditor’s Report on Financial Statements	September 2025
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 <i>Government Auditing Standards</i>	September 2025
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with Uniform Guidance	September 2025
Independent Auditor’s Report on Accountability	December 2025

**Report Issuance Dates Are Estimates Only*

The audit documentation for this engagement, which may contain confidential or sensitive information, is the property of SAO and constitutes a public record under Chapter 42.56 RCW. Subject to applicable laws and regulations, appropriate individuals, as well as audit documentation, will be made available upon request and in a timely manner to appropriate auditors and reviewers, City’s management and governing body, and federal agencies, for purposes of a public records request, a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities.

The audit documentation for this engagement will be retained for a minimum of five years after the report release (publish) date in accordance with the public records retention schedule established by the Washington Secretary of State.

Expected Communications

During the course of the audit, we will communicate with the City’s selected audit liaison, Christina McCall, Sr. Accounting Analyst, on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed. The audit liaison is responsible for regularly updating management and the governing body on these matters. We may also provide direct communication of these matters to management and the governing body as needed or upon request.

Please contact us if any events or concerns come to your attention of which we should be aware. We will expect the audit liaison to keep us informed of any such matters.

Audit Dispute Process

Please contact the Audit Manager or Assistant Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

By signing and returning this letter, you acknowledge that the foregoing is in accordance with your understanding. Please contact us with any questions.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Sincerely,



Matt Hankins, Assistant Audit Manager
Office of the Washington State Auditor

8/4/2025

Date

City Response:

This letter correctly sets forth our understanding.

Jonathan Young, City Manager Date

Gwen Pilo, Finance & Systems Director Date