

**Interim Executive Directors Report  
King Conservation District Advisory Committee  
June 8, 2021**

**District Staffing Reorganization**

On May 26, the King County Board of Supervisors voted to approve a motion to reorganize District staff. As a result of this vote, all Director level positions were eliminated from the organization. This directly impacts the Director of Strategic Initiatives, the Finance Director, the Engineering Director and the Director of Engagement positions. This was a difficult decision and I did not make it lightly. However the structure of the agency had become heavily weighted toward management, without the staff needed to support our core work.

I propose adding a Finance and Administration Manager, an HR manager, hiring a Deputy/Stewardship position and making changes to reporting relationships. I'm in discussions with Union leadership and will move forward with hiring these positions later this month or early next depending upon the outcome of those discussions.

I'm hiring a temporary Controller and Accountant to assist us during the transition. Those positions will start next week. We currently have a part-time, contract HR manager, Jamie Ward, who has been instrumental in helping us over the past three months and he will continue to work with us during this transition.

I'm meeting with the funders of our various contracts this week and next to ensure that this work is completed.

**Finance Update**

Last month we brought in a consultant, Amy Michael, to assist us in clarifying and streamlining our financial processes and procedures. Amy is a professor, a CFO and assists agencies in all things financial. She has been instrumental in helping us to identify the various systems individuals and teams are using to track financial information and monitor grants and contracts. She has met with staff and is in the process of drafting a report with her findings and recommendations.

Amy has agreed to continue working with us during the transition. She will be creating new financial reports and ensuring that our basic financial practices continue.

**Board Development**

Last month we hired Third Sector Company to assist us with Board Development. Randy and Pat from Third Sector have met with Board members, Councilmember Fincher, Mike Lufkin, staff and the State Commission to get input into current Board practices. They will be presenting their findings and recommendations to the Board soon and will then provide Board Development training and support.

**Equity Training**

I have contacted several agencies about providing Equity Training for the Board, staff and Advisory Committee. Given all of the transitions, we will likely schedule this training to begin once new staff have been hired.



# **BETTER GROUND**

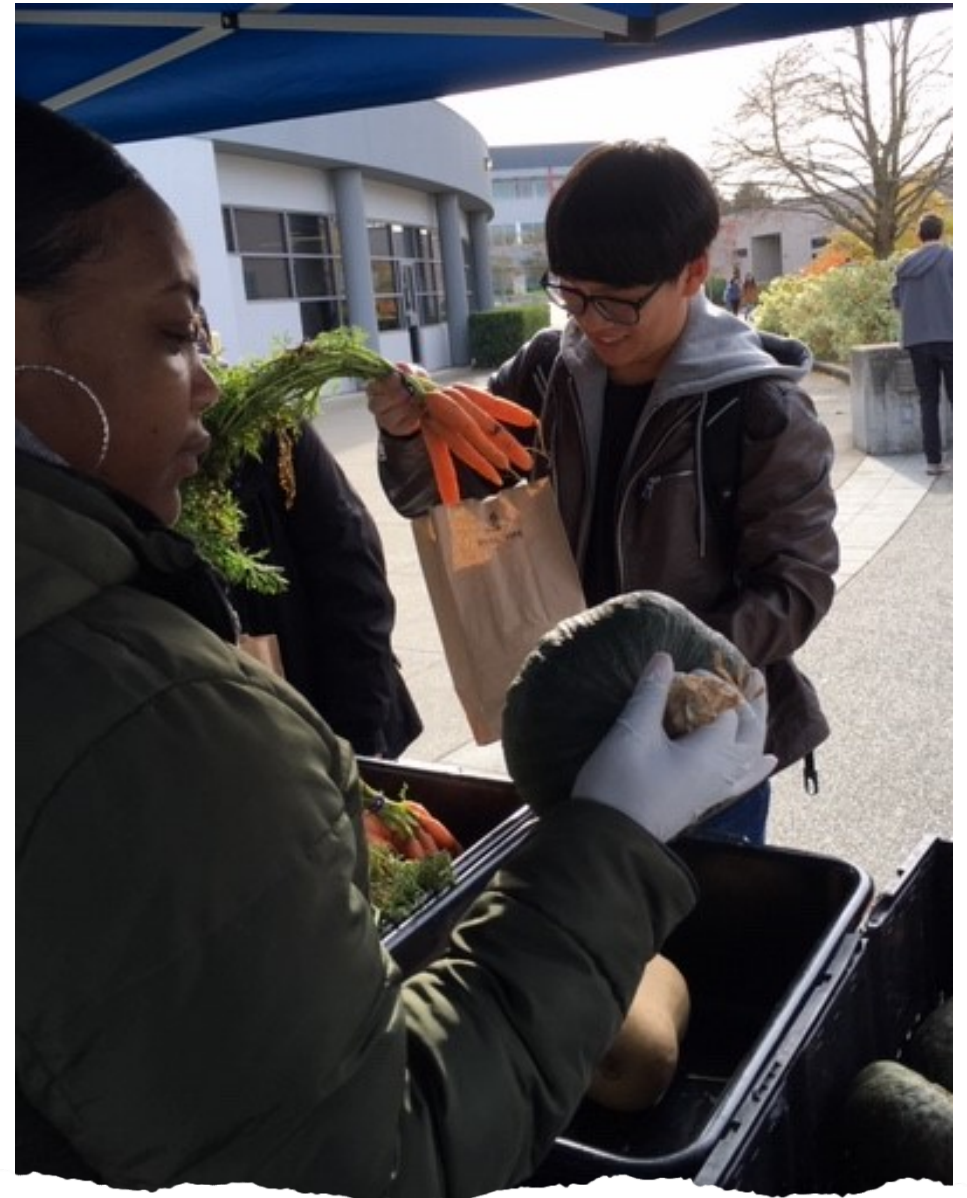
## **Replenishing Our Region**





## **COVID RESPONSE**

- **Farm to Foodbank Support**
- **Farm Help Hotline**
- **Culturally Relevant Seed Starts**







# 2020 PROJECT HIGHLIGHTS

- Na'ah Illahee Fund
- Horseneck Farm
- Casa Juanita







# ***ILA BENCHMARKS***

## **Success During Covid**

## **29 ILA BENCHMARKS**

- **20 Met or Exceeded**
- **3 Mostly Met (>70% progress )**
- **3 Partially Met (>50% progress)**
- **3 Not Met**



# ***ILA BENCHMARKS***

## **Success During Covid**

	Program	Benchmarks	Benchmark
Local Food	Regional Food Grants	Mostly Met	
	Agricultural Drainage	Partially Met	
	Community Agriculture	Met	
Clean Water	Riparian Land Stewardship	Mostly Met	
	Rural Land Stewardship	Mostly Met	
	Riparian Restoration	Exceeded	
Healthy Forests	Wildfire Preparedness	Met	
	Urban Forest Stewardship	Not Met	
	Small Lot Forest Stewardship	Exceeded	
	Member Jurisdiction Grants	Exceeded	
	Elections	Met	





## **KCD IN 2021**

- **Leadership Transition**
- **Structural Changes**



# Agricultural Drainage 2021 Overview and Report

**Liz Stockton, Program Coordinator**



**Local Food  
Healthy Forests  
Clean Water  
Better Ground**







# 2021 Ag Drainage Overview and Report

- **Ag Drainage Importance**
- **Program Overview**
- **Project Identification**
- **Ag Drainage Metrics**





# Why is Ag Drainage Important?



**Before**



**After**





# Farmability





# Safety





# Habitat

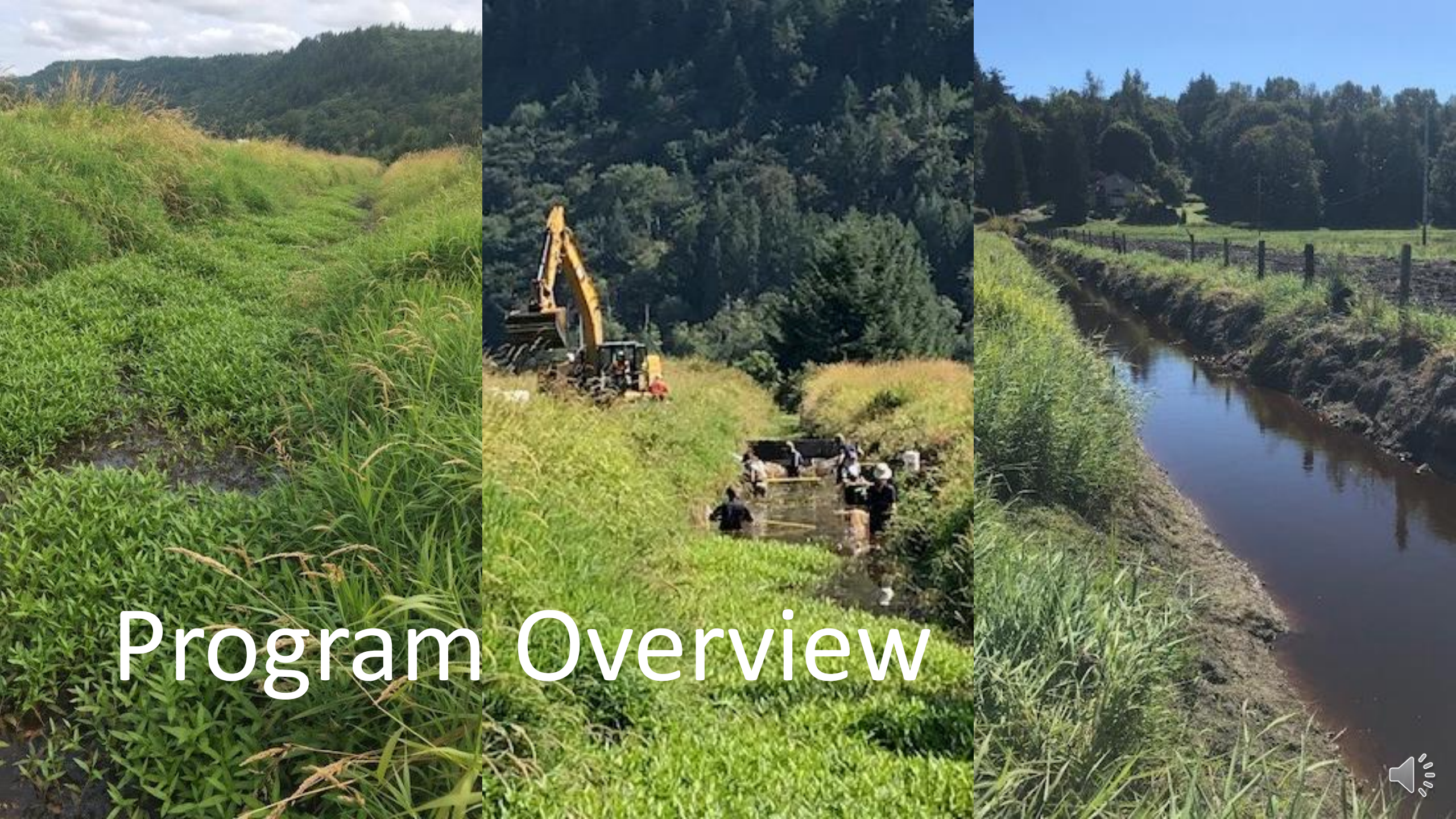




# Benefits BOTH







# Program Overview





# What do projects Look Like?



# Identify Projects

- **Increase Most Farmable Acreage**
- **Find Sites with Multi-Farmer Benefit**
- **Outreach to Historically Underserved Communities**
- **Ensure Fair Distribution of Projects Across APDs**
- **Work with Tribal Partners on Prioritization**
- **Select Collaborative Projects**
- **Use Watershed Improvement District Basin Ranking**
- **Work with KCD Resource Planners to Identify New Projects**





# ADAP: Snoqualmie Valley







**ADAP: Enumclaw Plateau**







**KCD: North Carnation**





# KCD Ag Drainage Since 2015

- Linear Feet Improved: **80,000 (15 miles)**
- Farm Crossings Replaced: **21**
  - Designated Fish Passage Barriers: **18**
- Land Managers Assisted: **45**
- Relationships Established
  - King County Road Services
  - Tulalip & Snoqualmie Nations
  - King County Parks
  - Puget Sound Energy



# Thank You

Questions?

[liz.stockton@kingcd.org](mailto:liz.stockton@kingcd.org)



Local Food  
Healthy Forests  
Clean Water  
Better Ground







## Office of the Washington State Auditor

### Pat McCarthy

### **Exit Conference: King Conservation District**

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 the results of your audit and our draft reporting. We value and appreciate your participation.

#### **Audit Reports**

We will publish the following reports:

- Accountability audit for January 1, 2019 through December 31, 2019 - see draft report.
- Financial statement January 1, 2019 through December 31, 2019 – see draft report.

#### **Audit Highlights**

- We would like to thank Ava Souza, Chief Operating Officer, and District staff for their cooperation and timely response to our requests during the audit.
- We appreciate the District's commitment to fiscal accountability and accurate financial reporting.

#### **Recommendations not included in the Audit Reports**

##### **Exit Items**

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

#### **Communications required by audit standards**

In relation to our financial statement audit report, we would like to bring to your attention:

- There were no uncorrected misstatements in the audited financial statements.
- There were no material misstatements in the financial statements corrected by management during the audit.

#### **Finalizing Your Audit**

##### **Report Publication**

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal/>

## **Management Representation Letter**

We have included a copy of representations received from management.

## **Audit Cost**

At the entrance conference, we estimated the cost of the audit to be \$10,500 and actual audit costs will approximate that amount.

## **Your Next Scheduled Audit**

Your next audit is scheduled to be conducted in February 2022 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement

The estimated cost for the next audit based on current rates is \$11,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.

## **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 feedback.

### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

### **The Center for Government Innovation**

The Center for Government Innovation of the Office of the Washington State Auditor is designed to offer services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean, peer-to-peer networking and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at [Center@sao.wa.gov](mailto:Center@sao.wa.gov).

## **Questions?**



Please contact us with any questions about information in this document or related audit reports.

**Kelly Collins, CPA, Director of Local Audit, (564) 999-0807, [Kelly.Collins@sao.wa.gov](mailto:Kelly.Collins@sao.wa.gov)**

**Mark Rapozo, CPA, Assistant Director of Local Audit, (564) 999-0794 [Mark.Rapozo@sao.wa.gov](mailto:Mark.Rapozo@sao.wa.gov)**

**Evans Anglin, CPA, Acting Audit Manager, (253) 365-3348, [Evans.Anglin@sao.wa.gov](mailto:Evans.Anglin@sao.wa.gov)**

**Pavath Phommachanh, Audit Lead, (253) 372-6250, [Pavath.Phommachanh@sao.wa.gov](mailto:Pavath.Phommachanh@sao.wa.gov)**





Office of the Washington State Auditor  
Pat McCarthy

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

# Accountability Audit Report

## King Conservation District

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

*Published (Inserted by OS)*

Report No. 1028494



Find out what's new at SAO  
by scanning this code with  
your smartphone's camera



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

Issue Date – (Inserted by OS)

Board of Supervisors  
King Conservation District  
Renton, Washington

### **Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

### ***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*



Audit Results.....	4
Related Reports.....	5
Information about the District.....	6
About the State Auditor's Office.....	7

## AUDIT RESULTS

### Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

### About the audit

This report contains the results of our independent accountability audit of King Conservation District from January 1, 2019 through December 31, 2019.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the District's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended December 31, 2019, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Grant contract monitoring
- IT security policies, procedures, practices and controls protecting financial systems – backup and recovery
- Open public meetings – documentation of minutes, executive sessions and special meetings
- Financial condition



## RELATED REPORTS

### Financial

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE DISTRICT

The King Conservation District was formed in 1949 to promote sustainable uses of natural resources through responsible stewardship. Its primary revenue source is an assessment levied on each tax parcel in King County with the exception of properties used exclusively for forestry. King County collects the assessments and remits them to the District. The District uses 20 percent to fund its operations and the remaining 80 percent for conservation programs targeting private landowners as well as noncompetitive grants to cities and water resource inventory areas within the area served by the District.

A five-member volunteer Board of Supervisors, consisting of two members appointed by the Washington State Conservation Commission and three elected members, oversee District operations. The District has an annual operating budget of just over \$4 million and 32 full-time employees.

Contact information related to this report	
Address:	King Conservation District 800 S.W. 39th Street Suite 150 Renton, WA 98057
Contact:	Ava Souza, Chief Operating Officer
Telephone:	425-282-1920
Website:	<a href="http://www.kingcd.org">www.kingcd.org</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the King Conservation District at <http://portal.sao.wa.gov/ReportSearch>.



## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

### Stay connected at [sao.wa.gov](http://sao.wa.gov)

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

### Other ways to stay in touch

- Main telephone:  
(564) 999-0950
- Toll-free Citizen Hotline:  
(866) 902-3900
- Email:  
[webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov)





Office of the Washington State Auditor  
Pat McCarthy

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

# Financial Statements Audit Report

## King Conservation District

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

*Published (Inserted by OS)*

Report No. (Inserted by OS)



Find out what's new at SAO  
by scanning this code with  
your smartphone's camera



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

Issue Date – (Inserted by OS)

Board of Supervisors  
King Conservation District  
Renton, Washington

**Report on Financial Statements**

Please find attached our report on King Conservation District's financial statements.

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

Sincerely,

Signature Here (Please do not remove this line)

Pat McCarthy

State Auditor

Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*



TABLE OF CONTENTS

**REMINDER:** Right click “No table of content entries found” below | click “Update Field” -- Do NOT edit the TOC, which will be updated by OS during report processing. If changes are needed, please use the comment field in the Audit Review Library.

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..... 4

Independent Auditor's Report on the Financial Statements..... 7

Financial Section..... 11

About the State Auditor's Office..... 12

## INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

### I-1

#### **King Conservation District January 1, 2019 through December 31, 2019**

Board of Supervisors  
King Conservation District  
Renton, 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 King Conservation District, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated May 26, 2021.

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

As discussed in Note 9 to the 2019 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown. Management's plans in repose to this matter are also described in Note 9.



## INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 District's financial statements are free from material misstatement, we performed tests of the District'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

District'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 District'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.

Signature Here (Please do not remove this line)

Pat McCarthy

State Auditor

Olympia, WA

May 26, 2021



## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

F-2

### King Conservation District January 1, 2019 through December 31, 2019

Board of Supervisors  
King Conservation District  
Renton, Washington

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the King Conservation District, for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page {inserted by OS}.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our 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 District'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 District'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 King Conservation District has prepared these financial statements to meet the financial reporting requirements of state law using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investments of the King Conservation District, and its changes in cash and investments, for the year ended December 31, 2019, on the basis of accounting described in Note 1.

### **Basis for Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the District 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 King Conservation District, as of December 31, 2019, or the changes in financial position or cash flows thereof 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.



## Matter of Emphasis

As discussed in Note 9 to the 2019 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown. Management's plans in response to this matter are also described in Note 9. Our opinion is not modified with respect to this matter.

## Other Matters

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The 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 May 26, 2021 on our consideration of the District'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 District's internal control over financial reporting and compliance.

Signature Here (Please do not remove this line)

Pat McCarthy

State Auditor

Olympia, WA

May 26, 2021



## **FINANCIAL SECTION**

### **King Conservation District January 1, 2019 through December 31, 2019**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2019  
Notes to Financial Statements – 2019

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

Schedule of Liabilities – 2019

## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

### Stay connected at [sao.wa.gov](http://sao.wa.gov)

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

### Other ways to stay in touch

- Main telephone:  
(564) 999-0950
- Toll-free Citizen Hotline:  
(866) 902-3900
- Email:  
[webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov)

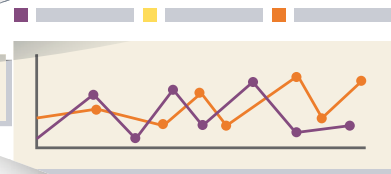




# Tracker

A clear path to all your audit information

## USER GUIDE



### STEP 1

## Log in to Online Services

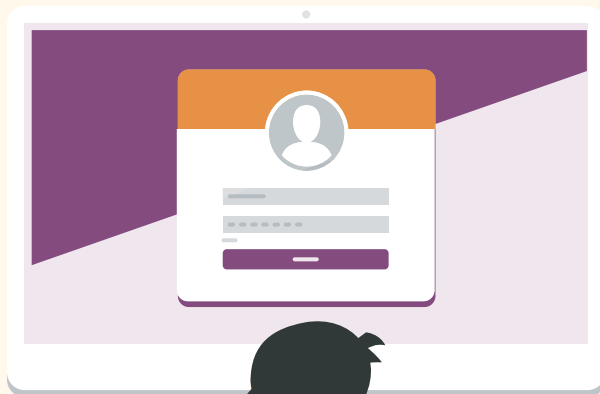
Note: If you log in using Active Directory and receive an error message, you will have to log in using SAW.

### State agencies use Active Directory

1. Go to [sao.wa.gov](http://sao.wa.gov).
2. Click the **Online Services** button.
3. Select **Log in with Active Directory**.

You will automatically be logged into Online Services.

If you receive an error message, you need to log in using SAW.



### Local governments use SAW

1. Go to [sao.wa.gov](http://sao.wa.gov).
2. Click the **Online Services** button.
3. Select **Log in with SAW**.  
This will take you out of the SAO website, to the SAW login page.
4. Enter your SAW username and password and click **Submit** to log in.

You will be returned to SAO's website and into Online Services.

If you need to use SAW to log in but don't have an account, you will need to create one following the steps under "**Create a SAW account**."

*Note: To find out whether you already have a SAW account, follow steps 1-4 under "**Create a SAW account**," select the **Check Now** button on the Sign up! page and follow the prompts.*

If you do not have a SAW account, please create one

1. Go to [sao.wa.gov](http://sao.wa.gov).
2. Click the **Online Services** button.
3. Select **Log in with SAW**.  
This will take you out of the SAO website, to the SAW login page.
4. Select **Sign up!**.
5. Fill out the form to create an account with a username and password.
6. Select the **I am not a robot** box and follow the prompts.
7. Click **Submit**.  
You will receive an email with a link to activate your account.
8. Click the link to complete the activation.
9. Enter your SAW username and password and click **Submit** to log in.  
You will be returned to SAO's website and into Online Services.



Office of the Washington State Auditor  
Pat McCarthy

## 2 After logging into Tracker's online services you can...

### View your findings and management letters

1. On the Welcome to Online Services page, click the Tracker tab.
2. Select your government's name from the dropdown list.

*Note: The list will show only those governments with which you have a confirmed role.*

3. Click the link for the desired report.

### Update your reported status

1. In the **Entity Reported Status** column, click the link to the current status for the desired report.
2. From the dropdown list, select a different status.

If desired, you can add contextual information in one of two ways:

- a. Type in the text field to describe the corrective action in greater detail.
- b. Click the **Select** button to upload an attachment.

3. Click **Submit**.

### Who can change my reported status?

Your government or agency will have a primary contact, who will have IT permissions to change the reported status of findings and management letters. Initially, this role will default to the person identified in our system as your Audit Contact (usually the Audit Liaison). If your government wants others to also have this ability, discuss this with the Audit Contact.

**Tracker**  
shows you where your audit issues stand



Office of the Washington State Auditor  
Pat McCarthy

P.O. Box 40031 Olympia, WA 98504

[www.sao.wa.gov](http://www.sao.wa.gov)

866-902-3900



# Tracker

shows you where your audit issues stand



Office of the  
Washington  
State Auditor

Pat McCarthy

## New Audit Status Tool: What you need to know

The Office of the Washington State Auditor has created a tool for following the status of audit findings and corrective actions. This tool is called Tracker. Local governments will follow the same basic process for responding to audit findings, but Tracker will make information about findings and corrective action status easily accessible in a single location. The goals for this tool are to improve the usability of information regarding the status of audit issues and to give governments a way to quickly share their plans for resolving those issues.

### Benefits of Tracker

Using Tracker, your government can:

- **Get up to speed more quickly when turnover occurs.** Employees who are new or in new positions will have one stop access to prior audit issues and corrective actions, rather than having to search multiple websites and contact their auditors. This also will help ease transitions with new leaders.
- **Be clear about its current audit status.**
- **Better and more quickly prepare for upcoming audits.**
- **More easily identify and resolve issues** before the audit is conducted or the audit report published.
- **Enter a status update at the time of the change.** It is easier to note details about a change when they are top of mind instead of waiting for months to capture that information ahead of the next audit.
- **Show quickly that it resolved an issue – and get the credit for that expedient resolution.** This could be useful for governments trying to manage perceptions regarding their stewardship of public funds.



“Our vision is to increase trust in government, and Tracker does that by meeting the public’s increasing expectation of government transparency.”

**Pat McCarthy**  
State Auditor





## **Increased transparency**

The Tracker tool will take information that is already available and improve the usability.

## **Update at your convenience**

We think you will find that using Tracker to check and update your audit status at your convenience improves efficiency, accuracy, preparation and staff transitions. The designated representative or representatives for your government can update submitted information.

## **Timeline**

Our plan is for the Tracker system for local governments to begin operating in March, and to become publicly accessible by the end of 2019.

## **Questions?**

If you have questions or concerns, please feel free to contact your local audit team.



Office of the Washington State Auditor  
Pat McCarthy





# King Conservation District

Local Food | Healthy Forests | Clean Water | Better Ground

May 26, 2021

Washington State Auditor's Office  
841 Central Ave N  
Kent, WA 98032

To the Office of the Washington State Auditor:

We are providing this letter in connection with your audit of King Conservation District for the period from January 1, 2019 through December 31, 2019. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

## **General Representations:**

1. We have provided you with unrestricted access to people you wished to speak with and made available all relevant and requested information of which we are aware, including:
  - a. Financial records and related data.
  - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
  - d. Communications from regulatory agencies, government representatives or others concerning possible material noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
  - e. Related party relationships and transactions.



# King Conservation District

**Local Food | Healthy Forests | Clean Water | Better Ground**

- f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.
2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information, and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.
3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.
6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud.
7. We have established adequate procedures and controls to provide reasonable assurance of safeguarding public resources and compliance with applicable laws and regulations.
8. We have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records.

**Additional representations related to the financial statements:** (3)

10. We acknowledge our responsibility for fair presentation of the financial statements and believe financial statements are fairly presented in accordance with the *Budgeting, Accounting and Reporting Standards Manual* (BARS Manual), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
11. We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.
12. The financial statements properly classify all funds and activities.





# King Conservation District

Local Food | Healthy Forests | Clean Water | Better Ground

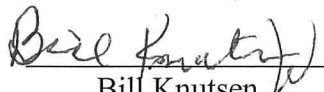
13. Revenues are appropriately classified by fund and account in accordance with the BARS Manual.
14. Expenses are appropriately classified by fund and account, and allocations have been made on a reasonable basis.
15. Ending cash and investments are properly classified as reserved and unreserved.
16. Significant assumptions we used in making accounting estimates are reasonable.
17. The following have been properly classified, reported and disclosed in the financial statements, as applicable:
  - a. Interfund, internal, and intra-entity activity and balances.
  - b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - c. Joint ventures and other related organizations.
  - d. Guarantees under which the government is contingently liable.
  - e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
  - f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements and other loss contingencies.
18. We have accurately disclosed to you all known actual or possible pending or threatened litigation, claims or assessments whose effects should be considered when preparing the financial statements. We have also accurately disclosed to you the nature and extent of our consultation with outside attorneys concerning litigation, claims and assessments.
19. We acknowledge our responsibility to include all necessary and applicable disclosures required by the BARS Manual, including:
  - a. Description of the basis of accounting, summary of significant accounting policies and how this differs from Generally Accepted Accounting Principles (GAAP).
  - b. Disclosures similar to those required by GAAP to the extent they are applicable to items reported in the financial statements.
  - c. Any additional disclosures beyond those specifically required by the BARS Manual that may be necessary for the statements to be fairly presented.

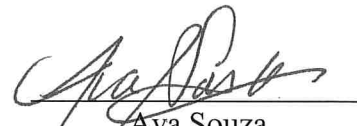


# King Conservation District

**Local Food | Healthy Forests | Clean Water | Better Ground**

20. We acknowledge our responsibility for reporting supplementary information: the Schedule of Liabilities, in accordance with applicable requirements and believe supplementary information is fairly presented, in both form and content in accordance with those requirements.
21. We have disclosed to you all significant changes to the methods of measurement and presentation of supplementary information, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation.
22. We believe there are no uncorrected misstatements that would be material individually and in the aggregate to the financial statements taken as a whole. ④
23. We acknowledge our responsibility not to publish any document containing the audit report with any change in the financial statements, supplementary and other information referenced in the auditor's report. We will contact the auditor if we have any needs for publishing the audit report with different content included.

  
Bill Knutsen  
Board Auditor

  
Ava Souza  
Chief Operating Officer



KING CONSERVATION DISTRICT  
KING COUNTY, WASHINGTON

RESOLUTION NO. 19-011

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
KING CONSERVATION DISTRICT, KING COUNTY,  
WASHINGTON, RELATING TO BOARD OF SUPERVISORS  
ELECTIONS.

WHEREAS, fair, open, and accessible elections are critical to accountable government; and

WHEREAS, just 0.34 percent of registered King County voters participated in the 2019 King Conservation District Board of Supervisors election; now, therefore

BE IT RESOLVED by the Board of Supervisors of the King Conservation District, King County, Washington, as follows:

Section 1. The King Conservation District Board of Supervisors is committed to working with the Washington State Legislature to reform Conservation District Board of Supervisor elections to use regular ballots sent to all registered voters.

ADOPTED BY THE BOARD OF SUPERVISORS of the King Conservation District, Washington, at a regular public meeting held on the 12<sup>th</sup> Day of August, 2019

---

Dick Ryon, Chair