



Kitsap 911 Executive Committee Meeting of March 22, 2023

The Kitsap 911 Executive Committee met via a virtual Zoom meeting and in-person at Kitsap 911. Present were Director Dusty Wiley (Chair), Director David Ellingson, Director Joe Deets, Director Greg Wheeler, Strategic Advisory Board Chair Chief Ron Harding, Strategic Advisory Vice Chair Jim Gillard, Legal Counsel for Kitsap 911 Ken Bagwell, Executive Director Richard Kirton, Deputy Director Maria Jameson-Owens, Finance Manager Steve Rogers, Technical Systems Manager Brandon Wecker, Radio Program Manager Scott Peabody, and Administrative Specialist Stephanie Browning. Guests: Alex Wensil- WA State Auditors, Vinny Shiel- WA State Auditors
Absent: Director John Gese

Call to Order. Chair Dusty Wiley called the meeting to order at 1300.

Washington State Auditors Exit Conference for fiscal year 2020/2021:

Washington State Auditors Alex Wensil the lead auditor and Vinny Shiel Audit Supervisor presented (Presentation attached). The Auditor issued for the Financial Audit results of January 1, 2020, through December 31, 2021 an unmodified opinion and reported no significant deficiencies in internal control, no deficiencies considered to be material weakness and no instance of noncompliance that were material to the financial statements of the Authority. Alex thanked Staff and Finance Manager Steve Rodgers for the audit. The next audit will be fall of 2023 and this will bring us back to the annual audit cycle.

Public Comment: None

Additions: None

Approval of Minutes 02/22/2023:

Director David Ellingson made a motion to approve minutes from 02/22/2023. Motion was seconded by Director John Deets. Motion Passed.

Approval of Payment of Claims-Fund 89822:

**Director David Ellingson moved approval of A/P 5495 through 5552 Total \$1,779,833.61
Payroll dated 03/03/2023 and 03/17/2023 Total \$886,651.80
Motion was seconded by Director Joe Deets. Motion Passed.**

Ratification of Executed Contract:

None

Action Items:

Appointment of Chair and Vice Chair

Director David Ellingson made a motion to appoint Director Dusty Wiley as the Chair of the Executive Committee for 2023. Motion passed.

Director Dusty Wiley made a motion to appoint Director David Ellingson as the Vice Chair of the Executive Committee for 2023. Motion Passed.

Resolution 2023-003 Declaring Certain Personal Property as Surplus

Finance Manager Steve Rogers stated this resolution declares the items listed on the page 19-20 in packet as surplus which allows us to remove from inventory and declare as surplus. Happy to remove none of the assets are being removed due to loss or theft they have simply reached end of life status.

Director David Ellingson made a motion to appoint Resolution 2023-003 Declaring Certain Personal Property as Surplus. Motion was seconded by Director Joe Deets. Motion passed.

Discussion Items:

None

Staff Reports:

LMR Project Update

Scott Peabody presented the current progress. Microwave System classroom training was completed the week before factory staging. Kitsap 911 Technicians went to Austin where our equipment was configured and tested and ready for installation. All the extensive tests passed. The equipment was shipped to RACOM in Lacey WA, and they will deliver and install at the tower sites.

A request for quote was requested for FCC Licensing and there were three responses. Available radio spectrum is the biggest technical risk to the program. The contract has been executed and starting next month the process will begin.

Land Mobile Radio (LMR) vendor demonstrations will be completed this week. The next steps will be to evaluate the RFP responses and apply evaluation weighting.

Finance Report

Finance Manager Steve Rogers reported our financial position as of February 28, 2023 (attached in agenda packet). This report includes the budget amendment that was adopted at the March 7, 2023, Board of Directors meeting. The February revenues 3.3M was received and are in-line with expectations. For

Operating expenditures, we are under our labor budget and under supplies and services. 1.9M has been spent to date on Radio and LMR. No reserves have been used to date and the risks remain the same.

Staffing Report

Maria Jameson-Owens reported as of today Kitsap 911 is 11.5 people short in operations. Six trainees in call receiving, six trainees on the floor, one in fire training on the floor and six in law enforcement training on the floor. The next academy starts on April 10 and we are looking to hire four. For the August academy we are looking to hire six. There will be nonstop training all year long. All Admin and Technical positions are fully staffed.

Goals Update

Technical Systems Manager Brandon Wecker reported on the 2023 Projects and Status.

2022-8 TSG Staffing Study- This task is reviewing our current staffing to assess what we will need for current support levels and the new LMR project. Scott and Brandon have been making good progress and hope to have a draft for Richard to review by the end of April and have given Director Kirton some preliminary numbers.

2012-9 Replace Security System- This is for the CCTV system and card access for the building. The team is currently working towards the project milestones however, there is an issue with supply chain related to the computers needed for this project. They have very long lead times. This could be a potential risk to the project completion time.

2022-12 MCT Replacement- Kitsap 911 has been removing items in order to make room for all the new equipment. 2/3 of the equipment has been received. Currently scheduling image creation with the vendor. Director Ellingson said last month you stated you did not have all the pieces yet for distribution, do you now have all those parts? The 2/3 is a splattering of different parts so there is not a complete MCT package to hand out at this time.

2022-13 CAD-to-CAD interface with South Sound 911- This project will create a CAD-to-CAD link between the two agencies. There is a rough schedule for this work and the vendor expects to have the interface ready to stage in the live environment by June, but it will likely not be turned on at that time. It will be turned on later in the year to allow training, policy creation and any additional testing.

Emerging Issues

Executive Director Richard Kirton said there are a few Bills still working their way through the legislative. One bill related to the PERS retirement will move all new Public Safety Telecommunicators into PSRRS retirement instead of PERS and give the option for existing telecommunicators to change retirement systems. It is currently in the rules committee in the senate.

There are a couple 988 bills still active, one that includes the funding for hybrid or mental health focused for response teams. This bill would provide grants. This may be of particular interest to our user agencies.

The Telecommunicator Certification Board is continuing to develop the training standards. Everything that has been decided so far is consistent with the training Kitsap 911 offers.

There have been articles and news stories about artificial intelligent (AI) and companies that are offering AI chat applications. In some case companies deployed these chat bots and people do not know they are

talking to a computer rather than a person. This technology is rapidly expanding and hearing some companies are developing versions of this that could be useful for 311 applications or 911 centers 10-digit non-emergency and information calls. This is something that is still being developed, and we will keep you posted.

Director Ellingson said we had a Washington State Fire Leadership meeting with representatives across the state and there was a lot of discussion on derailment. Does the 911 system statewide have access to all the right people so you have access to the wide variety of hazards that could happen. Mr. Kirton said it's been a while since we have exercised and participated with the user agencies, DEM, State Emergency Management, Navy, and others specifically about a derailment. He will talk with DEM Director about reviewing those policies. Kitsap 911 first calls would be to DEM and the State Department of Emergency Management.

Good of the Order-

None

Adjournment 13:51

The next regular meeting of the Kitsap 911 Executive Committee will be April 12, 2023



Office of the Washington State Auditor

Pat McCarthy

Exit Conference: Kitsap 911 Public Authority

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, 2020 through December 31, 2021– see draft report.
- Financial statement audit for January 1, 2020 through December 31, 2021– see draft report.

Audit Highlights

We would like to thank Authority staff, especially Steve Rogers - Finance Manager, for their cooperation during the audit. They made time to answer all our questions and responded to all our requests, helping us complete the audit.

Recommendations not included in the Audit Reports

Exit Items

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or noncompliance 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.

Financial Statement Audit Communication

We would like to bring the following to your attention:

- We didn't identify any material misstatements during the audit.
- There were no uncorrected misstatements in the audited financial statements.
- The audit addressed the following risks, which required special consideration:
 - Due to the possibility that management may be able to circumvent certain controls, standards require the auditor to assess the risk of management override.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via email in a .pdf file. We also offer a subscription service that notifies you 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 requested of management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$21,000 and actual audit costs will approximate that amount.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in fall 2023 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 \$18,000 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 like 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 at the Office of the Washington State Auditor offers 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 process improvement, 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.

Questions?

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

Kelly Collins, CPA, CFE, Director of Local Audit, (564) 999-0807, Kelly.Collins@sao.wa.gov

Tina Watkins, CPA, Assistant Director of Local Audit, (360) 260-6411 Tina.Watkins@sao.wa.gov

Amy Strzalka, CPA, Program Manager, (360) 845-1476, Amy.Strzalka@sao.wa.gov

Vinny Shiel, Assistant Audit Manager, (425) 510-0488, Vincent.Shiel@sao.wa.gov

Alex Wensil, Assistant State Auditor, (360) 845-1488, Alexandria.Wensil@sao.wa.gov



Office of the Washington State Auditor
Pat McCarthy

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Accountability Audit Report

Kitsap 911 Public Authority

For the period January 1, 2020 through December 31, 2021

Published (Inserted by OS)

Report No. 1032260



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

Issue Date – (Inserted by OS)

Board of Directors
Kitsap 911 Public Authority
Bremerton, 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 Authority 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 Authority’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.

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Authority 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 the Kitsap 911 Public Authority from January 1, 2020 through December 31, 2021.

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 Authority'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 years ended December 31, 2021 and 2020, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements and electronic funds transfers
- Procurement – public works, purchases and purchasing exemptions
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

RELATED REPORTS

Financial

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

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INFORMATION ABOUT THE AUTHORITY

Kitsap 911 Public Authority began operations as a separate organization on December 26, 2016. The Authority was previously a department of Kitsap County, Central Communication (CENCOM).

The Authority provides public safety emergency communications services and is governed by a Board of Directors. The Board is comprised of the three Kitsap County commissioners and the sheriff, the mayors of the Cities of Bainbridge Island, Bremerton, Port Orchard and Poulsbo, three fire commissioners, and two City of Bremerton Council members. The Authority has 84 employees and annual revenues of about \$12.1 million in 2020 and 2021.

Contact information related to this report	
Address:	Kitsap 911 Public Authority 911 Carver Street Bremerton, WA 98312
Contact:	Steve Rogers, Finance Manager
Telephone:	360-307-5802
Website:	www.kitsap911.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Kitsap 911 Public Authority 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. 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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Pat McCarthy

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Financial Statements Audit Report

Kitsap 911 Public Authority

For the period January 1, 2020 through December 31, 2021

Published (Inserted by OS)

Report No. 1032251



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

Issue Date – (Inserted by OS)

Board of Directors
Kitsap 911 Public Authority
Bremerton, Washington

Report on Financial Statements

Please find attached our report on the Kitsap 911 Public Authority's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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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 Financial Statements Performed in Accordance with *Government Auditing Standards*

Kitsap 911 Public Authority January 1, 2020 through December 31, 2021

Board of Directors
Kitsap 911 Public Authority
Bremerton, 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 Kitsap 911 Public Authority, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated March 22, 2023.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, looped initial "P".

Pat McCarthy, State Auditor

Olympia, WA

March 22, 2023

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Kitsap 911 Public Authority January 1, 2020 through December 31, 2021

Board of Directors
Kitsap 911 Public Authority
Bremerton, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the Kitsap 911 Public Authority, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, as listed in the financial section of our report.

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

As described in Note 1, the Authority has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System (BARS) Manual*. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the Kitsap 911 Public Authority, and its changes in cash and investments, for the years ended December 31, 2021 and 2020, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Kitsap 911 Public Authority, as of December 31, 2021 and 2020, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the Authority in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS Manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the

United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2023 on our consideration of the Authority's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

March 22, 2023

FINANCIAL SECTION

Kitsap 911 Public Authority January 1, 2020 through December 31, 2021

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2021
Fund Resources and Uses Arising from Cash Transactions – 2020
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2021
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2020
Notes to the Financial Statements – 2021
Notes to the Financial Statements – 2020

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2021
Schedule of Liabilities – 2020

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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.

Stay connected at sao.wa.gov

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- [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



Richard A. Kirton, Executive Director

OFFICE 360.307.5800 FAX 360.792.5982 911 Carver St. Bremerton, WA 98312 KITSAP911.ORG

March 22, 2023

Office of the Washington State Auditor
3200 Capitol Blvd
P.O. Box 40031
Olympia, WA 98504-0031

To the Office of the Washington State Auditor:


We are providing this letter in connection with your audit of Kitsap 911 Public Authority for the period from January 1, 2020 through December 31, 2021. 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 noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.

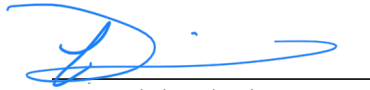
- 
- e. Related party relationships and transactions.
 - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.
2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information, and 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:

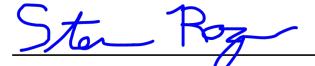
10. We acknowledge our responsibility for fair presentation of the financial statements and believe financial statements are fairly presented in accordance with the *Budgeting, Accounting and Reporting Standards Manual* (BARS Manual), which is a comprehensive basis of accounting other than accounting 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.
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 nonspendable, restricted, committed, assigned, and unassigned.
 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.
 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.

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.



Richard Kirton
Executive Director



Steve Rogers
Finance Manager

Executive Committee Radio Program Update

February 22, 2023

R. Scott Peabody, P.E.

speabody@kitsap911.org

360 552-8402





Topics

- Microwave Project Update
- RFQ for FCC Licensing Services
- Hands On Demonstrations
- Next Steps



Microwave System Training



- **Classroom and Hands On Training**
- **Delivered at the Readiness Center (Bremerton)**
- **Completed the Week Before Factory Staging!**



Kitsap Microwave System

Teal
Lake

Hansville
Road

Suquamish

Mandus Olson

Orchard Heights

View
Park

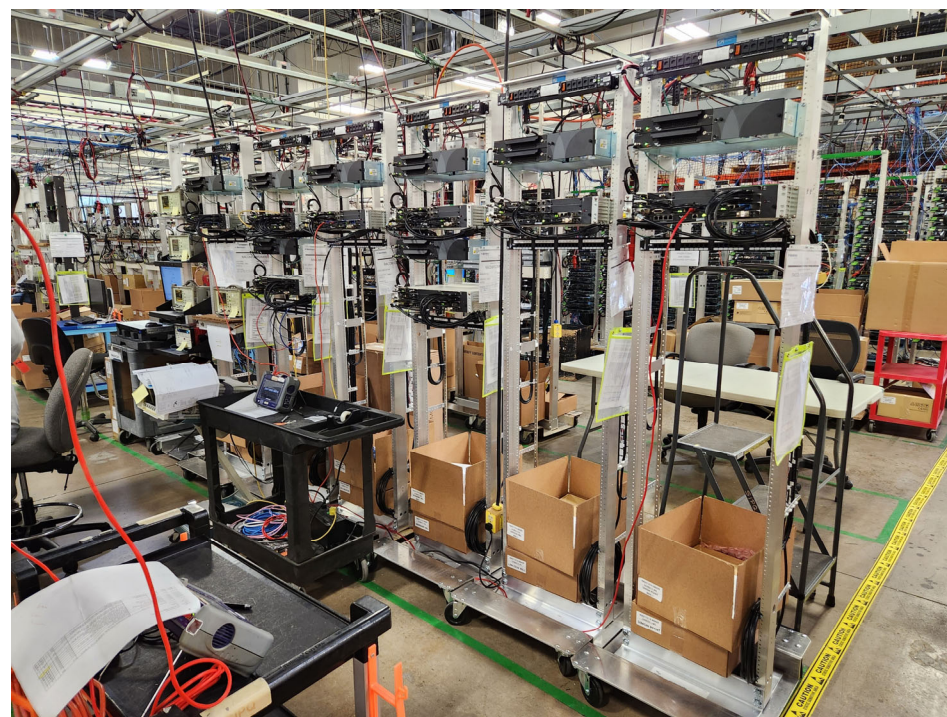
Cencom

Gold
Mtn.

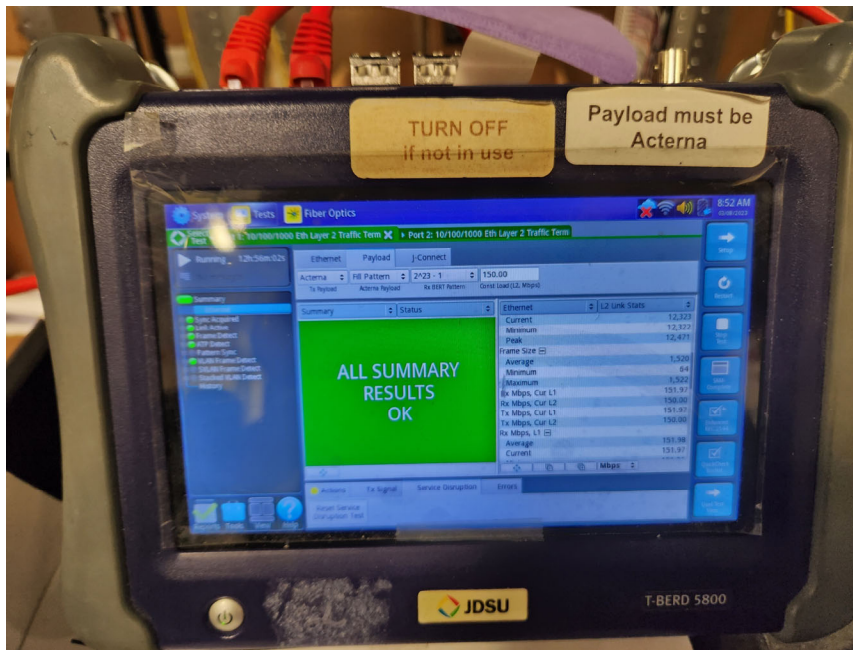
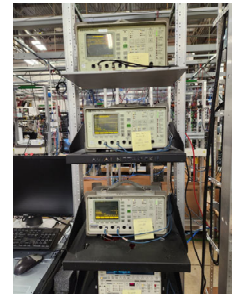
Newberry
Hill

Simon
Point

Lincoln
Hill

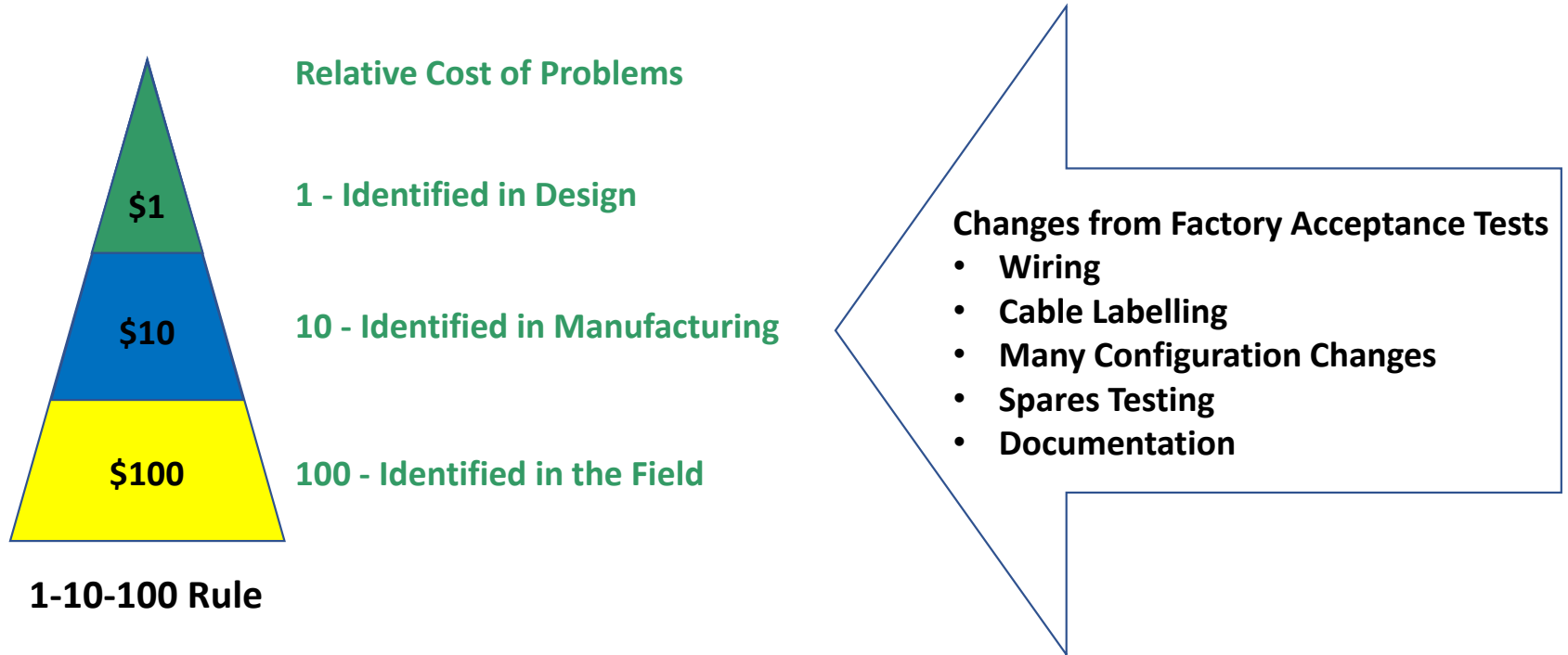


Extensive Testing



- Check Hardware, Software Licenses, and Wiring
- Verify Configurations
- Performance Tests
 - Link Tests
 - Services Tests
 - (including long overnight tests)
- Protection Tests
 - Link Failures
 - Card Failures
- Spares Testing

Factory Acceptance Testing and Quality Mgmt.



Crating and Shipping

~~Scheduled to Arrive
on March 28th!~~



Equipment in Lacey!



Request for Quote – FCC Licensing

- **Available Radio Spectrum is the Biggest Technical Risk to the Program**
 - Proximity to Canada
 - First Come Basis for Licensing
 - Unique Frequency Coordination Process
- **Published RFQ – Three Responses**

Quote	Price	Experience (# of WA Applications)	References
1	\$\$\$\$	700MHz: 0, 800 MHz: 3	2 CA, 2 TX
2	\$\$	700MHz: 6, 800MHz: 33	5 Puget Sound
3	\$	700MHz: 0, 800 MHz: 0	WY, CA, PA, MA



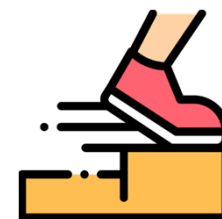
**Initial Frequency Plan
should be available with
30-45 days**

User Experience Demonstrations



User Experience
Demonstrations will be
Completed This Week!

Vendor 4 Demo
March 23 & 24



Next Steps

- Complete the Demonstrations
- Evaluate RFP Responses
 - Console, User Radio, and Infrastructure
 - Validate Compliance Matrices
 - Assess Other Parts of RFP Responses
- Apply Evaluation Weighting

