Washington RCW Audit Requirements

HOA

**RCW 64.38.045 *(emphasis added)***

(3) At least annually, the association shall prepare, or cause to be prepared, a financial statement of the association. The financial statements of associations with ***annual assessments*** of ***fifty thousand dollars or more*** shall be audited at least annually by an independent certified public accountant, but the ***audit may be waived if sixty-seven percent*** of the votes cast by owners, in person or by proxy, at a meeting of the association at which a quorum is present, vote each year to waive the audit.

Condo

RCW 64.34.372***(emphasis added)***

1. The association shall keep financial records sufficiently detailed to enable the association to comply with RCW [64.34.425](http://apps.leg.wa.gov/RCW/default.aspx?cite=64.34.425). ... At least annually, the association shall prepare, or cause to be prepared, a financial statement of the association in accordance with generally accepted accounting principles. The financial statements of condominiums consisting of ***fifty or more units shall be audited*** at least annually by a certified public accountant. In the case of a condominium consisting of ***fewer than fifty units, an annual audit is also required but may be waived annually by unit owners other than the declarant of units to which sixty percent*** of the votes are allocated, excluding the votes allocated to units owned by the declarant.

(Note: some Old Act Condos documents may be written that no waiver is allowed for few than fifty units. Be sure and check your governing documents to determine if the New Act law is in effect.)

# RCW 64.34.312 Control of association — Transfer.

(2) Upon the transfer of control to the unit owners, the records of the association shall be audited as of the date of transfer by an independent certified public accountant in accordance with generally accepted auditing standards unless the unit owners, other than the declarant, by two-thirds vote elect to waive the audit. The cost of the audit shall be a common expense unless otherwise provided in the declaration. The accountant performing the audit shall examine supporting documents and records, including the cash disbursements and related paid invoices, to determine if expenditures were for association purposes and the billings, cash receipts, and related records to determine if the declarant was charged for and paid the proper amount of assessments.

RCW 64.34.425 Resale of unit.

(g) A statement of the amount of any reserves for repair or replacement and of any portions of those reserves currently designated by the association for any specified projects;  
  
(h) The annual financial statement of the association, including the audit report if it has been prepared, for the year immediately preceding the current year;  
  
(i) A balance sheet and a revenue and expense statement of the association prepared on an accrual basis, which shall be current to within one hundred twenty days;