

Summary of Uncorrected Items

Description	Statement / Schedule	Opinion Unit
(PY Agg 2018) In the Water/Sewer fund, expenses should be presented separately for activities within the fund that are different identifiable activities. It seems reasonable that water activities are different and identifiable from the activities of sewer. <i>reference blue book page 306</i> .	Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	Water/Sewer
(PY Agg 2018) It's not clear how the REET fund meets the definition of a special revenue fund. Special Revenue funds are used to report the proceeds of specific revenue sources that are restricted or committed for expenditure for a specific purpose, <i>other than</i> debt or capital. REET funds per statutory requirements are used for capital purposes. RCW 82.46.030 (2) - The remaining proceeds from the county tax under RCW 82.46.010(2) shall be placed in a county capital improvements fund. The remaining proceeds from city or town taxes under RCW 82.46.010(2) shall be distributed to the respective cities and towns monthly and placed by the city treasurer in a municipal capital improvements fund.	N/A	Agg Remaining
(PY Agg 2019) The City has multiple capital asset balances that appear to have overstated accumulated depreciation and depreciation expense. During our 2020 and 2021, audit we did not create an estimate for this, however, we note that the City should reevaluate useful lives of its capital assets in order to ensure assets more closely reflect actual asset useful lives.	Statement of Net Position and Statement of Activities/Proprietary Statement of Net Position and Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	Governmental Activities/Business Type Activities
(PY Agg 2019/2020) We noted several Governmental Infrastructure assets that were completed in their respective years. Each of these assets partially replaced an existing asset, which should have been removed, along with its accumulated depreciation and any depreciation expense booked in year replaced should not have been recorded after its disposition. In 2019 we identified assets valued at a total of \$1,868,538. In 2020, the City capitalized asset, BA-1820 (Mill Plain Blvd - 104th to Chkalov Dr), that included costs of the replacement of asphalt, \$1.1M or 18% of the asset. We and the City are unable to determine the value of the asset that should have been removed. We determined this will not have a material affect.	Statement of Net Position, Statement of Activities	Governmental Activities
(PY Agg 2019) We noted several Water/Sewer - Other Improvements assets valued at a total of \$23,203,137 were completed during 2019. Each of these assets partially replaced an existing asset, which should have been removed, along with its accumulated depreciation, from the books. Any depreciation expense booked on the replaced asset for 2019 should also not have been recorded after its disposition.	Proprietary Statement of Net Position Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position Statement of Net Position, Statement of Activities	Business Type Activities Water/Sewer
The City misclassified \$59,754 as Accounts Receivable. The cash was held by the City as of the end of the year and should be reported as Cash and cash equivalents.	Statement of Net Position	Business Type Activities
	Proprietary Statement of Net Position	Water/Sewer
The City misclassified \$1,041,475 (prj083095) in CIP from a project that should have been moved out at year-end 2019. This resulted in two years worth of depreciation that should have been accrued, totaling about \$104,147.57 based on a 20 year life. We determined that Accumulated depreciation and depreciation expense are both understated.	Statement of Net Position and Statement of Activities	Business Type Activities
	Proprietary Statement of Net Position, Proprietary Statement of Revenues, Expenses, and Changes in Net Position	Water/Sewer
The City billed the incorrect rate over park impact fees relating to a system error and input error in 2021. This resulted in the overbilling of \$121,641, which will need to be refunded to customers (thus creating a liability) and the underbilling of \$131,050 (which could create an AR if the City bills customers for this error), total net impact on PIF revenues is \$9,409.	Statement of Activities	Governmental Activities
	Statement of Revenues, Expenditures, and Changes in Net Position	Parks Impact Fees Fund
Credit card transactions as of FYE that do not have an assigned fund, due to credit card confirmation forms and receipts not being turned in timely and are being paid for by the general fund. As these may not all be for general fund expenses the general fund may be over reporting expenses and other funds would be underreporting. We determined as of yearend the maximum classification error between funds would be \$178,582.	Statement of Revenues, Expenditures, and Changes in Fund Balances	General Fund
The City misclassified \$2,017,112 as CIP instead of a depreciable asset as this project PRJ033096 was completed during 2021. Depreciation expense and accumulated depreciation are understated by an unknown amount.	Statement of Net Position and Statement of Activities	Governmental Activities
The City misclassified \$15,170,643 of assets within CIP instead of a depreciable asset category as the assets from project PRJ083626 were in service as of year end. Accumulated depreciation and depreciation expense are also understated by an unknown amount.	Statement of Net Position and Statement of Activities	Business Type Activities
	Proprietary Statement of Net Position, Proprietary Statement of Revenues, Expenses, and Changes in Net Position	Water/Sewer