From: Jones, Travis (SAO)
To: "Steve Austin"
Subject: RE: Document Request -City of Clarkston Audit
Date: Thursday, October 14, 2021 3:35:00 PM
Attachments: image001.png
Expenditure trend breakdown.xlsx
image002.png

Hi Steve,
Sorry for the delayed response, attached you will find the breakout for object code 00 for 2019. However for Object code 40 (for FY2019 & FY2020) we have provided the BARS Guidance (see below) that outlines the activity that is reported in the object code. We are not looking for an exact tie out but rather a brief explanation/description for the substantial increases for both years related to the activity reported within the object code (i.e. was there increased activity/expenses in professional services related to grant funding or projects, taxes, utility services, etc).

40 Services and Pass-Through Payments

Use this object for governmental type and other professional and technical services provided by other governments (federal, state, local), other funds, or by private entities.

Include:

- professional services (e.g., accounting, auditing, advertising, computer services, medical, dental and hospital, management consulting, custodial, messenger, testing, monitoring, cleaning, engineering, architectural, legal, investment services, etc.);
- communication (e.g., postage, internet, telephone, facsimile, shipping, etc.);
- travel (e.g., mileage, lodging, meals, etc.);
- taxes (e.g., sales and use, B&O tax, etc.) and operating assessments (i.e., payments to other governments or funds based on levies against property or income of the government or a fund);
- permits, licenses, accreditation, certification and other fees which are necessary for operations paid to the federal, state or local governments (e.g., survey fees, laboratory accreditation fees, disposal fees, discharge permits, biosolid permits, FERC licenses, etc.);
- operating rentals and leases (GAAP entities should use object 60 for capital leases; cash basis entities should use object 70 for the principal payments and object 80 for interest payments on capital leases);
- insurance (e.g., liability, theft, bonds, casualty, etc.; however use object 20 for insurance applicable to personnel benefits);
- utility services (e.g., water, sewer, gas, electricity, waste disposal, television, etc.; however ***use object 30 for power, gas or water purchased for resale***);
- contracted repairs and maintenance (use object 60 for construction contracts);
- other (e.g., court costs, investigation, judgments, damages, dues, subscriptions, memberships, registrations, information and credit services, laundry and sanitation services, filing, recording, witness fees, printing, binding, tuition, etc.).

Also include eligible intergovernmental **pass-through** payments, contributions and grants from federal, state, and own or other local resources to other governments or nongovernmental entities.

Please let me know if you have any questions.
Thank you,

Travis Jones
Assistant State Auditor, Office of the Washington State Auditor
www.sao.wa.gov

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From: Steve Austin <saustin@clarkston-wa.com>
Sent: Thursday, October 14, 2021 2:26 PM
To: Jones, Travis (SAO) <jonest@sao.wa.gov>
Cc: Brillantes, Heide (SAO) <brillantesh@sao.wa.gov>
Subject: Re: Document Request -City of Clarkston Audit

External Email

Travis,
That is what I thought, but when we look at the submitted schedule 1, or even our system report, we are not able to identify what budget lines those are referring to. Do you have a breakout or a document that shows that amount? Or is it auto-generated?
Thanks
Steve Austin
Clerk/Treasurer
City of Clarkston
829 5th Street
Clarkston, WA 99403
(509) 769 0131
Fax (509) 769 6018
www.clarkston-wa.com

From: Jones, Travis (SAO) <jonest@sao.wa.gov>
Sent: Thursday, October 14, 2021 12:48:55 PM
To: Steve Austin <saustin@clarkston-wa.com>
Cc: Brillantes, Heide (SAO) <brillantesh@sao.wa.gov>
Subject: RE: Document Request -City of Clarkston Audit

Hi Steve,
Those numbers are obtained/generated from the City's submitted Schedule 01's for FY2016 through FY2020. As far as the outstanding items goes, I will send you an audit status update here shortly outlining all of the outstanding items as of 1:00 P.M. today.
Thank you,

Travis Jones
Assistant State Auditor, Office of the Washington State Auditor
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From: Steve Austin <saustin@clarkston-wa.com>
Sent: Thursday, October 14, 2021 12:40 PM
To: Jones, Travis (SAO) <jonest@sao.wa.gov>
Cc: Brillantes, Heide (SAO) <brillantesh@sao.wa.gov>
Subject: RE: Document Request -City of Clarkston Audit

External Email

See Responses Below (in red): The items that say see attached I just sent via the secure folder, as they were too big to send in this document.
Also, in looking at the spreadsheet requests sent previously, specifically the one titled "Expenditure Trend Follow Up". Can you provide clarification of where the numbers are coming from? My staff and I have spent a few hours trying to reconcile the numbers that you have referenced. We can easily find the 104 fund numbers, however the 001 funds with object 00 and 40 seem to be compiled multiple entries and not specific lines. We have attempted to replicate so we can answer and cannot get the information to match your request. Did you compile these from Schedule 1? Other reports?

My daughter has an extensive orthodontic appointment this afternoon, and I will be leaving shortly. I am scheduled to be out of the office tomorrow also. My staff and I will try to get more of this documentation before Monday.
Thanks,
Steve

From: Jones, Travis (SAO) <jonest@sao.wa.gov>
Sent: Wednesday, October 13, 2021 12:31 PM
To: Steve Austin <saustin@clarkston-wa.com>
Cc: Brillantes, Heide (SAO) <brillantesh@sao.wa.gov>
Subject: Document Request -City of Clarkston Audit
Hi Steve,
Following up on our meeting from Monday can we please have the following documentation:

- Confirmation/Explanation of items identified in our Yellow Flag Report, **See attached. Working on this still**
- Explanation/Source of restriction for Committed & Reserved funds reported in FY2020: **See attached Working on this still**
- Disbursement policies including general accounts payable, credit and fuel cards, travel and employee reimbursement See attached
- Payroll policies (including Leave accrual policies, i.e. Sick, Vacation, comp time etc.) See attached employee manual and current CBAs
- Procurement policies/procedures See attached
- Small and attractive assets policy See Attached
- List of all year-end journal entries **Working on this still**
- List of all journal entries **Working on this still**
- Compensated Absence support (to tie out our the reported liabilities on the 2019 and 2020 schedule 09, ***Please send via secure file transfer***) **Working on this still**
- 2019 & 2020 Financial Statement Preparation folder (this is to confirm controls regarding the preparation of the financial statements)
- Support/documentation regarding the Financial Statements independent third party review performed by the Mayor for FY2019 and FY2020 Not sure what exactly you need on this.
- Bank Reconciliations for the following months (this is to confirm controls regarding the preparation of the financial statements & will be used for our bank reconciliation process, ***Please send via secure file transfer***): These have been sent via Kiteworks
    - January 2019
    - December 2019
    - January 2020
    - December 2020
- OPEB support (i.e. OPEB actuary report and any other supporting documentation used to determine the liability reported) **Working on this still**
- General Ledger Trial Balance for FY2019 and FY2020 (We will use this information to tie out the presented financial statements) **Working on this still**
- Fund Roll up supporting documentation if applicable. (This information may include a Fund Roll up worksheet the city prepares during its financial statement preparation process) Not sure what you need on this
- Fund 635: In our review of the city's data, it was indicated that a Custodial Fund was being tracked within the general ledger so we had a few additional questions regarding this fund: I am not sure how to respond on this. Jonna and Matt had some pretty extensive discussions on this at the last audit. The City was advised to make changes on how this was reported. We followed the recommendations. However, I do not recall what all this entailed. I know at one point it was a roll-up issue.
    - Was this activity included in the Schedule 06 for FY2019 & FY2020?
    - Was the activity of this fund included in the reported C4 for FY2019 and FY2020? If so, what fund was this activity rolled into/reported under?
    - Is there any documentation or rationale for the city's interpretation of why these fiduciary activities were not reported on a C-5 for FY2019 and FY2020?

These requests will also be recorded in Thursdays weekly status update. Please let me know if you have any questions or concerns regarding the document request above.
Thank you,

Travis Jones
Assistant State Auditor, Office of the Washington State Auditor

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