

# City of Spokane Valley

## *General*

*Code:* 07SpokaneValley-AC20  
*Name:* City of Spokane Valley  
*Group:* Spokane  
*Type:* 07-City/Town  
*Location:* Spokane  
*Scope:* Not Applicable

## *Team*

*Lead:* Walter Green  
*Manager:* Weston Fink

## Procedures

### D.1.PRG - GAAP

*Procedure Step:* Entity Operations - GAAP  
*Prepared By:* WAG, 9/22/2021  
*Reviewed By:* WTF, 9/29/2021

Record of Work Done:
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We gained an understanding of the government's operations based on inquiry of management, observation and inspection during the course of

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the current and prior audits, along with review of the planning guide and other procedures performed as part of the planning steps. We noted the following key elements regarding the government and its environment in addition to our general understanding documented in the planning guide.

## **REPORTING ENTITY AND RELATED ORGANIZATIONS**

We have identified **the following** component units, joint ventures, joint operations or jointly governed organizations, and related parties (other than government officials and their immediate families) which may need to be evaluated for reporting and disclosure:

We inquired of Chelsie Taylor (Finance Director) during the financial statement audit and she stated that she considers any Council member relationships with the non-profit entities requesting Hotel/Motel funds each year to ensure there are no related party transactions. If there is a conflict, Council members will recuse themselves from the decision making process. Other than that, the City does not have a formal evaluation process in place at this time. We discussed with Chelsie regarding a list of Council members serving on outside committees and/or boards with decision making authority over the respective entity as an option for reviewing any related party transactions for financial statement disclosure. Chris Bainbridge (City Clerk) compiled a list of committee appointments. See this in detail at [ [Committee lists for 2020](#) ]. We reviewed this list and determined that no committee appointments constituted a conflict of interest.

We evaluated this during our financial statement audit. We determined that the City does not have financial authority over the above related parties and the transactions with these other parties would not be material to the financial statements and therefore, do not require disclosure.

## **KEY OPERATIONAL INFORMATION**

We noted the following key information about the government's operations and environment in addition to our general understanding documented in the planning guide at [ [Cities General Planning Guide April 2021](#)]:

- The City of Spokane Valley is a Code city with a Council-Manager form of government.
- From the City's web-site and our prior audits, we noted it was incorporated on March 31, 2003 and has a population of approximately 95,800 and about 9,000 businesses. The City is home to three major public facilities (Avista Stadium, Spokane County Fair and Expo Center and CenterPlace Regional Event Center). The City owns and operates CenterPlace, an event facility, eleven City parks and three City pools.
- The City acts as its own treasurer and has established adequate segregation of duties related to receipting, depositing and disbursement processes.
- The City contracts with Spokane County for many of its services, including law enforcement (\$18M), animal control, jail, emergency management and court. The public safety balance for governmental funds has been material to the financial statements in prior audits.

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The majority of this balance is related to payments to Spokane County for contracted services. The City also contracts with the YMCA to manage the City's pools, including monitoring of cash receipts and deposits. The City's utility services are provided by area water/sewer districts. The City does however, operate a Stormwater utility. The fees are assessed by the County on annual property tax statements.

- The City provides road improvement/maintenance, planning & community development, parks & recreation, financial and administrative services to citizens.
- The City self-insures for unemployment compensation (state processes claims and bills city) and this is properly reported on the City's Schedule 21.
- We confirmed with Chelsie Taylor (Finance Director) on 8/5/2021 the City does not have any OPEB plans.

### Use of Service Organizations:

We identified **no** service organizations relevant to the government's internal controls, which may need to be evaluated further if they are determined to have a key control.

### **SPECIAL COMPLIANCE REQUIREMENTS AND POLICIES**

We noted **no** special compliance requirements or information in addition to our general understanding documented in the planning guide. Other than the contracts with Spokane County and federal and state grants, the City does not have any special compliance requirements, policies and practices. We have audited these contracts and performed Single audits in the past without significant concerns.

### **SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**

We noted the following key information about the government's accounting and reporting in addition to our general understanding documented in the planning guide:

- The government keeps accounting records and reports in accordance with GAAP.
- The City uses standard applications of GAAP and does not use any unusual accounting policies or practices. The City implemented GASB 54 during 2010 and GASB 63 & 65 during 2011 and GASB 68 & 71 in 2015. There were two new GASBs implemented in 2016, 72 and 79. These are over FMV and amortization reporting requirements for the notes to the financial statements. GASB 84 was implemented in FY20.
- Chelsie stated that she and several members of her staff are members of GFOA and they attend trainings conducted by the GFOA to stay apprised of changes in accounting.

### Accounting Estimates:

We identified **no** accounting estimates.

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