

Minutes for June 23, 2015

Local Government Advisory Committee (LGAC)

Attendees

Members: Alexandra Johnson (SAO), Christy Raske (SAO), Stacie Tellers (WFOA), Brad Posenjak (WFOA), Kathy Tobin (WPTA), Bret Brodersen (OFM), Jeff Monsen (CRAB), Sheri Sawyer (SAO)

Conference Call & Polycom Attendees: Vicki Dalton (WACO), Milene Henley (WACO), Sue Hagner (WFOA), Shawn Hunstock (WFOA), Kathi Rauch (WCIF), Debbie Zabell (WFOA), Cathy Muhall (WFOA)

Additional attendees: Debra Burluson (SAO), Duane Walz (SAO), Daniel Masterson (SAO), Kelly Collins (SAO), Philip Mendoza (SAO), Jan Jutte (SAO), Sherrie Ard (SAO)

Decisions of the State Auditor

No decisions are required by the State Auditor.

Minutes

The LGAC meeting began at 9:05am and was held in the Secretary of State's State Library Conference Room, Tumwater. The meeting was called to order by Christy Raske.

Approval of Minutes from December 2014

Christy Raske asked if the members had reviewed the minutes and if they are ready for approval. Vicki Dalton moved and Brad Posenjak moved and seconded the motion to approve the minutes. The minutes were unanimously approved.

Jan Jutte, Acting State Auditor

Jan Jutte introduced herself to the Committee and discussed her vision of the SAO until the next election. Jan will lead the Office, with many years of audit experience, and plans to continue releasing audit reports as the SAO has under the former State Auditors. She will be attending several conferences (WFOA, county conferences, AWC, etc.) and hopes to meet attendees as well as attend the sessions. Vicki Dalton added that she is personally happy to see Jan Jutte in this position. Milene asked if Troy Kelley has officially stepped down as State Auditor. Jan replied that he had not done so. Jan offered to be available at any time to ask questions regarding the Office.

Local Government Performance Center (LGPC)

Sherrie Ard from the State Auditor's Office presented an update on the Financial Intelligence Tool, (FIT) the Center has been improving. Currently it is spreadsheet tool available for cash basis reporting local governments. The new release, due out this July, will be a web-based tool that will have additional features and be more use friendly.

The LGPC has been leading a workgroup to extend FIT for GAAP reporting local governments (see attached power point). To get there, they identified issues for GAAP reporting and proposed solutions for the next BARS update. Part of the solution includes adding BARS codes to collect information to tie Schedule 01 to GAAP financial statements. Additional BARS codes will also be included in the since they are necessary to allow GAAP governments to utilize FIT.

Milene asked if the BARS codes would affect cash basis reporting governments, and Sherrie replied they will not. Cash basis governments are already using FIT and their Schedules 01 tie to the statements and are in fact produced from Schedule 01 when they file online. Milene asked if FIT is available to the public and the answer is not at this time.

Brad expressed some concerns over the short implementation period (2015 annual reports). He is also concerned about it being mandatory since they may not choose to use FIT. Sheri Sawyer addressed his concerns that eventually the public will have access to this data, and they will become users of FIT, and therefore expect the data from all local governments. The fall LGAC meeting will include the layout for all the accounts to be added in the next update.

BARS Issues

Alexa Johnson discussed the BARS changes that will need to take place to implement the GAAP reconciliation to Schedule 01 and FIT. The changes will include addition of few accounts, revisions to definition of existing accounts and relocation of some to accommodate the risk pools and housing authorities' requirement to submit Schedule 01.

The update other than changes to the chart of accounts will include (at this time) only revisions and clarifications. The only new requirement (not applicable to 2015 yet) included in the BARS update will be GASBS 72, *Fair Value Measurement and Application*. The SAO still plans to consolidate all GAAP manual into one.

The detailed changes will be provided to LGAC prior to the fall/winter meeting (to be scheduled).

2014 Annual Report Recap

Duane presented a summary of the 2014 annual reporting results (see attached power point). The overall goal SAO set was a 5% increase in annual report filer compliance. They met the goal and in fact they had a 10% increase. This was a result of the SAO offering free workshops once a month and the roundtables and trainings across the state earlier this year designed to assist the population of nonfilers. Kathy Tobin expressed her gratitude for the workshops and Duane's assistance.

Christy stated that we hope to offer the workshops and trainings again next year. And we may extend the free monthly workshops to the east side of state, since the pilot project was so successful.

Duane mentioned that we will be analyzing the demographics of the non-filers again this summer and work on the getting them to file. We have a lot of ideas how we can reach them and hope to implement as many of them as we can.

Pension Update

Debra Burleson demonstrated how local governments can access the Department of Retirement Systems website and find the *Participating Employer Financial Information* report that has all the employer allocation schedules and collective net pension amounts for each state plan. This

information is necessary for local governments to implement GASB Statement 68. The schedules for the year ended 6/30/14 are currently available. The DRS will publish the same information for the year ended 6/30/15 near the end of 2015. Local governments need both sets of schedules for beginning and end of year 2015 balances. Detailed instructions for using this information to implement GASB Statement 68 will be available in the BARS manual. The DRS website also includes an on-line system member employers can use to verify their contributions to the plans.

Meeting adjourned at 11:30 a.m.