

Minutes for May 19, 2016

Local Government Advisory Committee (LGAC)

Attendees

Members in person: Alexandra Johnson (SAO), Christy Raske (SAO), Michael Schaub (OFM), Michael Mann (LEAP), Rick Dyer (WPUD), Stacie Tellers (WFOA), Shawn Hunstock (WFOA), Sheri Saywer (SAO)

Conference Call: Vicki Dalton (WACO), Milene Henley (WACO), Christine Smith (WFOA), Sue Hagener (WFOA), Josie Koelzer (WACO), (CRAB), Kathy Streissguth (WFASG), Tracey Dunlap (WCMA) Cathy Muhall (WACO)

Additional attendees: Debra Burleson (SAO), Kelly Collins (SAO), Sherrie Ard (SAO), Mary Kuhney (Spokane County), Jeff Smith (Port of Olympia), Duane Walz (SAO), Scott DeViney (SAO), Amber Siefer (Dept of Commerce), Cezanne Murphy (Commerce), Buck Lucas (Commerce)

Decisions of the State Auditor

No decisions are required by the State Auditor.

Minutes

The LGAC meeting began at 9:10am and was held in the SAO Sunset Building. The meeting was called to order by Christy Raske.

Approval of Minutes from October 2015

Christy Raske asked if the members had reviewed the minutes and if they are ready for approval. Alexandra Johnson moved and Stacie Tellers seconded the motion to approve the minutes. The minutes were unanimously approved.

SAO Update

Kelly Collins provided an update on some of the recent personnel changes in the Office. She discussed an update on SAO snapshot that outlines all the annual audits SAO performs every year (about 2400). Out of those audits, a very small number receive findings (244). It also listed the total audits by government type and number of exceptions by category.

Kelly also provided a new checklist for Accounting Standards Changes. SAO developed this tool to assist clients in implementation of new GASB standards. The checklist provides for review of the standard, plans for implementation, and internal deadlines. The checklist can be found in local government resources on the SAO website.

There was some discussion regarding the rate increase to cover the cost of COLA raises to employees. SAO also adjusted their travel costs for employees traveling to audit sites. Milene Henley asked if there are limits set on how far employees can live to audit site. SAO pays travel for the least distance of audit site to SAO office or employees home to the SAO office. SAO strives to have SAO offices within a 50 mile range from audit sites. If staff are brought in out of the area, adjustments are made to the billings.

Pension Update

Debra Burleson, the pension specialist for SAO, briefed the Committee on GASB 68 implementation. SAO has provided one-on-one assistance to 148 local governments as of May 19th. Requests for assistance were heaviest in February and March. They declined somewhat in April, but picked up again in May.

SAO will be offering a one hour training at the WFOA conference on GASB 68 lessons learned. There was some discussion regarding an additional webinar in January 2017. Kelly and Stacie Tellers will discuss this with WFOA.

Debra discussed the upcoming similar changes for OPEB. It appears local governments will be required to report this liability for fiscal years ending December 2018. The SAO will be organizing a workgroup to address this after implementation of GASB 68 is underway.

Schedule O9 Updates

Scott Deviney presented the plan to eliminate local governments reporting debt information to both SAO and Department of Commerce. This change

will not only eliminate duplicate reporting but will provide for more consistent and accurate debt information for Commerce and stakeholders of the information.

Scott has been working with Commerce employees to enable them to obtain information they need from schedule 09 annual report information. SAO has made some changes to schedule 09 to accommodate this. Commerce will be notifying local governments they no longer are required to report this information to them. Local governments, as a result, may get questions from Commerce if they do not file their annual report timely.

SAO and Commerce will work together to provide guidance and assistance to local governments.

Duane Walz shared that SAO is working on eliminating the DOT street report as well. By making changes in BARS, hopefully soon, local governments will no longer be required to submit the street report.

BARS/Online Filing

Alexa reported that the 2016 BARS update was released as planned in December 2015, as soon as all the tools for implementation of the GASB Statement 68 were finalized. The merge of all GAAP manuals and the new interface for the chart of accounts were well received.

Currently there are no major issues for the upcoming BARS update.

Alexa discussed very shortly the three new GASB Statements issued this year (GASBS 80, 81 and 82). The statements clarify existing statements and do not contain any additional disclosure requirements, unless they are applicable to a government and then the disclosure would be focusing only on the explanation for the restatement of the balances or net position.

She also pointed out that the GASB is not only encouraging restatements when applicable also requires them when they are practicable (i.e., feasible even if not convenient).

Duane Walz presented (attached) an overview update of online annual report filing. The filing for 2015 annual reports is going well with many more to come in before the May 29 deadline, which is normal. The LGS team will

have ample staff ready to assist local governments with filing issues to ensure they file successfully.

Local Government Performance Center/FIT

Sherrie Ard and Duane provide a power point (attached) and live demonstration on FIT for GAAP. FIT for GAAP will go live May 29 at the end of the 2015 annual report filing deadline. There will be three financial indicators for governmental GAAP governments, and two for proprietary GAAP governments. The operating margin will not be available for proprietary governments due to BARS not indicating operating revenues and expenses. This summer, SAO will review BARS for possible solutions to provide the operating margin to proprietary governments.

FIT will provide only one year of data for GAAP governments unless they choose to request assistance from SAO to back fill two prior years. There are instructions built into FIT for accessing prior year data.

Sheri Sawyer provided a FIT mug for LGAC members as a token of appreciation for their assistance in developing FIT. Mugs will be provided later to members who were not in attendance at the meeting.

Meeting adjourned at 10:30 a.m.