

Minutes for October 22, 2015

Local Government Advisory Committee (LGAC)

Attendees

Members in person: Alexandra Johnson (SAO), Christy Raske (SAO), Bret Brodersen (OFM), Michael Mann (LEAP), Cathy Muhall (WACO)

Conference Call & Skype Attendees: Vicki Dalton (WACO), Milene Henley (WACO), Stacie Tellers (WFOA), Brad Posenjak (WFOA), Sue Hagener (WFOA), Shawn Hunstock (WFOA), Debbie Zabell (WFOA), Rick Dyer (WPUD), Josie Koelzer (WACO), Jeff Monsen (CRAB), Kathy Streissguth (WFASG), Tracey Dunlap (WCMA)

Additional attendees: Debra Burluson (SAO), Kelly Collins (SAO), Jan Jutte (SAO), Sherrie Ard (SAO), Mary Kuhney (Spokane County), Jenny Stetler (Spokane County)

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 SAO Sunset Building. The meeting was called to order by Christy Raske.

Jan Jutte, Acting State Auditor

Jan Jutte welcomed the committee and said a few words before leaving for another commitment.

Approval of Minutes from June 2015

Christy Raske asked if the members had reviewed the minutes and if they are ready for approval. Bret Brodersen moved and Alexandra Johnson

moved and seconded the motion to approve the minutes. The minutes were unanimously approved.

Pension Update

Debra Burleson, the pension specialist for SAO, briefed the Committee on GASB 68 implementation. The SAO is developing the implementation guide, BARS update (instructions, notes, RSI) for all plans for both GAAP and cash basis governments. Committee members had received the draft documents in an email prior to the meeting.

Many had questions regarding the cash note and felt it was cumbersome. After review, it appears they had incorrectly received the GAAP file. Christy will email the Committee the correct draft cash basis pension note. Debra will be updating the guidance on deferred outflows and inflows for implementing GASB 68. All documents are draft and they will be final before year-end. The SAO is waiting on Department of Retirement Systems for final pension numbers. At that point, the SAO can finalize BARS.

SAO will be offering a two hour webinar through WFOA on GASB 68. It will be offered late January 2016. Any pension questions should be submitted to the SAO HelpDesk.

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.

SAO Outreach

Christy updated the Committee on the outreach the Team Local Government Support (LGC) and the Local Government Performance Center (LGPC) has underway at this time. Over 500 local governments have registered for BARS roundtables that are being offered from now until end of the year throughout the state. Topics discussed are BARS changes, GASB 68, online filing, and the LGPC resources available to them. Anyone interested can find the flier on the SAO website, however most roundtables are full, except downtown Seattle December 9th.

The LGS team will be offering annual report filing workshops in two formats after the first of the year. The first is an extension of a pilot project

in 2015 referred to as Wednesday workshops. The pilot was offered one Wednesday per month in Olympia where local governments could attend and obtain help with their annual report filings. It was very successful and therefore in 2016, there will be additional workshops schedule throughout the state.

LGS will repeat its small local government filing workshops again during the same timeframe (January-May). These are available for the very small governments who often have volunteers filing annual reports and limited training resources.

Both workshops will be advertised prior to year-end after we finalize the dates and places.

Local Government Performance Center (LGPC)

Sherrie Ard is the new manager for the LGPC. She updated the Committee. Since the June LGAC meeting LGPC has:

- Facilitated a panel of local government representatives at the recent Washington State Government Lean Transformation Conference. (Thank you to those who participated in that effort.)

Participants were: Ben Thurgood, Tacoma; Debbie Sullivan, Olympia; Lindsay Osborne, Kittitas County; Robin Campbell, Thurston County; Ted Danek, DuPont; and Tracy Dunlap, Kirkland.

- Released a new web version of the Financial Intelligence Tool on August 7th to most cash basis local governments. Well received by those who have tried it out.
- Coordinating with the LGS to communicate information about center resources including demo of FIT at SAO Roundtables. (12 sessions)
- Have new staff working on improving our web page and usability of local government resources along with providing webinars and/or e-learning resources.
- Contributed to the Performance Consortium on October 6th. Futurist Rebecca Ryan was the keynote speaker with the Acting State Auditor, Jan Jutte giving an introductory address.
- List of recent lean academies – past, present and future
Cowlitz County
Lynnwood
Kittitas County
Ridgefield
Whitman County
Alderwood Water and Wastewater District

C-Tran
Battle Ground
Mill Creek

The only question was from Milene Henley was regarding Sheri Sawyer's new role as Deputy Director of Local Government Services with legislative outreach duties.

BARS Update

Alexa Johnson discussed the BARS changes in the upcoming update. The biggest changes are related to the implementation of GASBS 68 and revision in the chart of accounts. The changes will include addition of new accounts (mostly for GAAP entities), revisions to definition of existing accounts and relocation of some to accommodate the risk pools and housing authorities' requirement to submit Schedule 01. After sending the chart of accounts revision information to the LGAC and then all BARS manual users, the SAO received very few comments.

The update other than the listed above will include revisions and clarifications (e.g., LOCA program, TBDs assumption, COSO update, utility tax guidelines, etc.). The only new requirement (not applicable to 2015 yet) included in the BARS update will be GASBS 77, *Tax Abatement Disclosures*. Also, the SAO is reviewing the cash basis note disclosures to ensure their compliance with reporting and auditing standards.

The SAO still plans to consolidate all GAAP manual into one. Except for chart of accounts and some details in the statements, all GAAP manuals are essentially identical, so the consolidation will be completed and starting 2016 there will be only two BARS manuals: GAAP and cash basis.

LGAC Membership

Christy asked the Committee if they take new jobs or leave their position, to please notify her and their association they can fill their membership. She asked the members to please share the LGAC information with their associations and their members and offered to write articles for their newsletters if requested on upcoming LGAC issues.

Meeting adjourned at 9:50 a.m.