



Newsletter

JUNE 2015

EDITION 2

WFOA Newsletter is published quarterly for members and friends of the Washington Finance Officers Association.

WFOA OFFICERS 2014- 2015

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PRESIDENT'S MESSAGE

Board's Goals for Year Will Help Build an Even Stronger WFOA

Another year is quickly flying by! The WFOA Board has been very busy this year working on actions to address the three goals set in January: strengthening the long-term educational mission of WFOA by more actively engaging volunteers in Education Committee programs; promoting skills to enable members to develop staff within the profession and grow a sustainable workforce; and encouraging development of leaders to sustain and improve the WFOA. The Board's actions at our April meeting will help ensure that we follow through on these important goals and build an even stronger WFOA!



Jan Hawn

The Education Committee and Local Conference Committee have been really busy planning the 2015 conference. This is a special year in which we celebrate our 60th anniversary and the conference promises to be a great one!

We are very fortunate to have Stephen Gauthier, Government Finance Officers Association's Director of Technical Services and national instructor and author of numerous publications, at our annual conference. Stephen will speak about the new Council of Sponsoring Organizations' (COSO) guidelines setting the standards for evaluating internal control during Thursday's general session and follow up with a breakout session on accounting and financial reporting for capital assets.

In addition to planning the annual conference, we have multiple committees handling other important work for WFOA, including Legislative & Professional Standards, Awards, Non-Conference Training, Membership, and Scholarship & Internship and Communications. Our success is a direct result of lots of hard work by volunteers from around the state. I wish I could thank each and every one of the volunteers personally because WFOA owes you big time! Hopefully, I will catch up with you during the annual conference.

If you are not currently a volunteer, please consider investing your time and talents in making our programs work. [Descriptions of committees](#) can be found on our website. You can contact our committee chairs by clicking on our [Board of Directors](#) section of our website if you wish to inquire further or let them know that you'd like to sign up. I have personally found that volunteering is truly rewarding!

The WFOA and other out-of-state finance officers associations have a reciprocal agreement so that we can all learn from each other. I attended the [California Society of Municipal Finance Officers](#) in February. Their conference had over 900 attendees, but certainly offered training sessions for entities of all sizes and types. They had an electronic system for CPE credit which Dale Hough, our 2015 Conference Chair, is implementing for our members this year at our annual conference. This should be a huge efficiency for our attendees, as well as another great effort toward taking advantage of technology to eliminate paper!

I also attended the [Oregon Municipal Finance Officers Association](#) (now the Oregon Government Finance Officers Association) and the [Washington Public Treasurers Association](#) in March and the [Alaska Government Finance Officers Association](#) in April. All of the professional associations had excellent sessions. I brought back a few ideas for future speakers which I shared with Mickie Cooper, our Education Co-Chair, and members of her committee.

Please watch for the visiting presidents of these organizations at the conference in September

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Chuck Pfeil – Time for a Change, and an Honor Given

After serving on the WFOA Board for the past 13 years as the representative from the State Auditor's Office, Chuck Pfeil is passing the torch to Kelly Collins. Kelly is SAO's Director of Local Audits. Chuck's last official board meeting was our April meeting. Chuck has been one of our longer serving board members; the only one currently on the WFOA board longer is our past president Dan Mason.



Chuck Pfeil

Some remembrances from Board members: Chuck was always very thorough and informative in his updates on "what's happening with the SAO" at each board meeting. He's been known to come with a lot of handouts at times. He's had two different little dogs that have attended meetings with him over the years. It's been entertaining to see Chuck taking this little tiny dog for a walk. We've really enjoyed our conversations with Chuck and Cathy over the years. His dedication to his family is very apparent. He's not only a great colleague but also a great friend.

Another board member recalls that the Board used to meet for dinner the Monday night everyone got into town for the annual conference. During dinner, the topic of cooking chicken on the BBQ came up and someone said they had a great recipe for "Beer Butt Chicken" (it's where you open a can of beer and stick it into the body cavity of the chicken and you stand the chicken and the beer up on the BBQ and it cooks the chicken....the beer keeps the chicken moist). Chuck was also talking about the speech he had to present at the annual business lunch on Thursday. Chuck was dared to somehow work "Beer Butt Chicken" into his speech....and he did it!

Chuck came to the WFOA Board in 2002. To give some historical perspective, in 2002, George W. Bush was in his second year as President of the United States, Sarah Hughes won the Olympic gold medal in ice skating, and WorldCom filed for bankruptcy - the largest ever to that date (in 2008, the bankruptcies of Washington Mutual and Lehman Brothers dwarfed WorldCom's). In Washington state, 2002 saw passage of Initiative 776 ("Son of 695") which was later ruled unconstitutional. Steve Marcott was the WFOA President, and our annual conference was held in Yakima. Also in 2002, GASB issued Statement #39 (amending GASB 14).

But wait! There's more! Chuck was also recently selected to receive a 2015 Governor's Award for Leadership in Management. Chuck and other recipients will be formally recognized at a luncheon at the Governor's residence on June 2.

"I commend you for your focus on performance results that were clearly demonstrated during 2014," Gov. Jay Inslee says in a letter to Chuck. "These results, combined with your exemplary personal attributes, reflect your strong commitment to public service and managing for accountability."

Chuck has been with the State Auditor's Office for 35 years and has previously served the Office as Director of State and Local Audit and as Director of Administrative Services, and, as noted above, a long-time member and Board member of WFOA.

Our thanks and congratulations to Chuck!

President's Message. . .

(Continued from front page)

and make them feel at home. While they are a wealth of knowledge, they are also eager to learn from us as well.

If any of our regular and affiliate members wish to contribute an article for our newsletter, please submit it for review to Dan Speigle at (360) 725-0311 or dan.speigle@sos.wa.gov. We would appreciate you sharing your knowledge with our members!

Remember to save the date for the annual conference – September 15-18, 2015, at the Greater Tacoma Convention & Trade Center!

– Jan Hawn, WFOA President

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Veteran Jan Jutte Takes on Acting State Auditor Role

OLYMPIA – On Monday, May 4, at 1 p.m., Jan Jutte assumed the role of Acting State Auditor, as Troy Kelley delegated his full authority to her. At the time, Jan was serving as Director of Operations.

As many of you may know, months earlier, Jan had announced her plan to retire May 1, but instead that day found herself in front of a bouquet of microphones and a gaggle of television cameras and reporters, announcing the news of her new role in an agency for which she had worked for more than 30 years.

As she said at the press conference and as she had already told State Auditor's Office employees, "it is important to understand that the successful operation of this agency is not the result of one person's efforts. It is the result of leadership and teamwork throughout the State Auditor's Office."

Jan praised what she called "an excellent Executive Leadership Team and team of deputy directors and managers across the state," on whom she would "rely heavily in the days to come." She said that the agency's constitutional and statutory responsibility to report objectively and directly to the taxpayers regarding their stewardship of public funds "continues, and will continue, uninterrupted."

Including her career with the State Auditor's Office, Jan has more than 40 years of accounting and auditing experience. She has managed or been the deputy director over virtually every state agency and local government team within the Office. For six years she was the Director of Legal Affairs and was the liaison to the Attorney General's Office. In that role, she took the lead on difficult compliance issues regarding municipal finance related law. She also has been responsible for the Auditor's Office public records compliance.

As Director of Operations, Jan was responsible for the support and operational functions of the agency.

Jan was the lead presenter last year for a series of Transparency & Open Government Training Sessions across the state for local government officials, offering material that met the requirements of the Open Government Trainings Act of 2014. The free training sessions provided more than 700 local government officials what they need to succeed through established best practices. Jan is a graduate of St. Martin's University. She is a certified public accountant (CPA) in the state of Washington. She is also a certified government financial manager (CGFM).

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WASHINGTON REGIONAL FINANCE OFFICER GROUPS

Sno-King Utility Finance Officers

Quarterly: as announced
Contact: Robert Wagner
360-668-6766 ext.103

Puget Sound Finance Officers Assn.

2nd Wednesday monthly
Billy Baroo's at Foster Golf Links
(Tukwila): February – August
Emerald Downs (Auburn): October - December
Contact: Martin Chaw
425-452-7199
mchaw@bellevuewa.gov

Olympia AGA (www.aga-olympia.org)

Monthly – as announced
Contact: Stefanie Niemela
360-725-4402
stefanie.niemela@del.wa.gov

Snohomish Co. Clerks & Finance Officers

Fourth Thursday monthly (alternating locations)
Bob's Burgers & Brew - Marysville
Shawn O'Donnell's Restaurant – Everett
Contact: Joyce Alling
425-263-8000
jalling@ci.mukilteo.wa

Eastern Washington Finance Officers Assn.

Second Friday in May & October
All-day workshop
Contact: Marsha Peterson
509-745-8871
Waterville@nwi.net

Southwest Washington Finance Officers

Feb., May, & Nov. (location TBA)
Contact: Lisa Wolff
360-442-5036
lisa.wolff@ci.longview.wa.us

Central Washington AGA

Monthly: First Wednesday at noon
Contact: Judy Pless
509-962-7502
Judy.pless@co.kittitas.wa.us

WASHINGTON FINANCE OFFICERS ASSOCIATION MISSION STATEMENT

"To promote excellence in governmental finance through leadership education and communication for the public benefit."

GASB Financial Projections Project Is Finally Dead... Or Is It?

by **Brad Posenjak**

Legislative & Professional Standards Chair

Several years ago, GASB added Economic Condition Reporting: Financial Projections to its research agenda. The prospect of having to project fiscal sustainability in the financial statements drew a strong negative response from most financial statement preparers as well as from GFOA and WFOA. After much debate, GASB put this project on hold in 2012 while awaiting the resolution of another project related to GASB's scope of authority. Since then we have been waiting for GASB to put the nail in the coffin on this project. At the end of April, GASB finally dropped the financial projections project from its agenda!

While we rejoice with this news, this topic may not be completely dead yet. At the same time the financial projections project was removed from the pre-agenda research, a new topic was added: going concern disclosures. According to the GASB Chair, David A. Vaudt, "The input and feedback we received from stakeholders on the Preliminary Views on economic condition reporting was highly valuable and will likely serve to inform our work in the future – including the research the Board has called for regarding going concern disclosures."

According to the GASB news release, "the going concern research will focus on whether existing GAAP standards provide state and local government financial statement preparers with sufficient guidance about management's responsibilities for evaluating and disclosing uncertainties associated with severe financial stress." We hope that the GASB's focus on projecting fiscal sustainability will not resurface in this research... but given their track record, we would not be surprised.

Adventures and Opportunities in Non-Conference Classes

by **Jack Broyles**

Education Committee Co-Chair (Non-Conference)



If you have been a member of WFOA for more than a short period of time, you have undoubtedly attended the annual conference in September. At that, you likely received some motivational instruction, networked with colleagues from all over the state, and even obtained some Continuing Professional Education from any of the dozens of class offerings that make up the majority of the three-day schedule. The annual conference is our most visible event held each year; however, were you aware that we strive to offer an array of relevant and timely classes outside of the annual conference?

As your Education Committee Co-Chair, I am responsible for performing much of the "leg work" for WFOA's "non-conference" education program. What this means is I work closely with the State Auditor's Office, other state agencies and independent instructors from all over the country. It is exciting and challenging, but each time another non-conference class goes off "without a hitch", I know that we are doing our jobs of providing our membership with high quality, affordable, and relevant training. However, even though this process may appear transparent, I could not accomplish this task without the assistance of countless volunteers from all over the state. These often time nameless people are your class coordinators.

What does it take to be a coordinator? Well really, not much! Mostly it takes a desire to volunteer a few hours of time. Class coordinators secure meeting space, arrange for snacks in the morning and lunch at noon, and the collection of class sign in sheets at the end of the day. If you have ever coordinated a class at the conference, you would find that the process is very similar. There is a bit more work involved in procuring meeting space and food, but there is also a bit more of a reward.

Class coordinators receive two free registrations for the class they coordinate. For an 8-hour class, this is a savings to your entity of \$250. In addition, class coordinators will receive a voucher for \$150 that can be applied to another non-conference training opportunity or even as partial payment to our annual conference. Finally, you get the satisfaction of knowing you helped provide your colleagues another excellent day of relevant and timely training. And, all of this will cost you or your entity absolutely nothing. WFOA will either pay all costs upfront or reimburse you or your organization for all expenses incurred. So, in summary, you get to attend your event at no charge, you get a reduction in registration fee for a future event, and you have provided invaluable services to your fellow WFOA members.

WFOA's non-conference education program would not exist in its current form were not for the countless and often nameless volunteers that silently step forward year after year to ensure that our education program thrives. Class coordination is a low-commitment way to help the organization achieve its educational goals. If you are interested in coordinating a class, please feel free to contact me at: jbroyles@woodinvillewater.com. There will be many opportunities coming forward for this fall and it's not too soon to start thinking about 2016.

It is my great honor to serve you, our membership. Thank you for the trust you put in me and I look forward to seeing you all at the annual conference and to talking to you soon about coordinating a non-conference class!

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HB 2148 and Resolving Disputes with the State Auditor



by **Brad Posenjak**

Legislative & Professional Standards Chair

Back in February, a bill was introduced in the Washington State House of Representatives that never made it out of committee, but caused a stir among many WFOA members. The development of House Bill 2148 has its roots in specific disagreements between a couple of local governments and the State Auditor's Office (SAO). This bill has two components: Section 1 allows any local government to obtain a financial audit from a private firm, and Section 2 provides for an appeals process under the administrative procedure act prior to release of an audit when the local government does not agree with the audit results.

Section 1 of the bill sought to formalize an existing option. The State Auditor currently allows several local governments that are performing proprietary government operations to obtain a private financial statement audit. While the SAO currently may not be required to allow this, the requests to hire a private financial audit are typically granted.

While Section 1 presented a minor change, Section 2 is the area of heightened interest. There is a desire among many of our members to have an appeals process during the audit process when they cannot come to an agreement with the State Auditor. Some members contend that an appeals process would add extra time, cost, and bureaucracy to the finding process, while other members maintain that SAO findings carry so much weight with the public that there should be a third-party appeals process when difficult disagreements arise.

At our recent WFOA Board meeting, Kelly Collins, SAO's Director of Local Audit, explained that SAO has "due process" established in its audit policies. Policy 2120 – Communicating Engagement Results – identifies that if disagreements arise during the engagement that the audit staff will involve the Audit Manager. If the disagreement continues, the Deputy Director will be involved and then the Director for further determination. In fact, the due process may include meeting with the State Auditor, as it did with one of the local governments that testified in favor of HB 2148.

The WFOA Board suggested that SAO make "due process" more visible and ensure local governments are aware of the avenues open to them when disagreements arise. Kelly Collins is exploring ideas of how SAO can bring more awareness and transparency to their process (i.e. engagement letters, entrance documents, etc.).

House Bill 2148 didn't go anywhere in the 2015 legislative session, but could be revived in January 2016. Whether or not an appeals process ever becomes law, the WFOA board encourages you to share your ideas on how to make the due process more visible and effective. The WFOA and its members have had a longstanding partnership with the State Auditor's Office and encourage thorough discussion on this specific topic before we look to the State Legislature for solutions.

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2015 WFOA Conference Update



by Dale E. Hough
2015 Conference Chair

On behalf of the Washington Finance Officers Association Local Conference Committee, I would like to take this opportunity to invite you to the 2015 WFOA Annual Conference being hosted in Tacoma, WA. We are celebrating our 60th Anniversary of the WFOA this year. Please join your membership in this significant event!

The conference will be held at the Greater Tacoma Convention and Trade Center located in downtown Tacoma. Hotels are located nearby, within easy walking distance. Tacoma and Pierce County offers a variety of options for dining, entertainment and shopping. Nearby Chambers Bay golf course is the home of this year's US Open golf tournament. The Western Washington Fair in nearby Puyallup will be in full swing, so take the weekend before or after the conference to play in Pierce County!

The conference will have many opportunities for continuing education and networking for WFOA members. We estimate nearly 80 hours of available sessions from which to choose, plus keynote presentations and a full day of preconference classes. The sessions include a blend of new topics as well as ones that have been popular in prior years. The Education Committee has worked hard to create an agenda that provides excellent learning opportunities for all attendees.

I am pleased to announce that we have three keynote speakers this year. On Wednesday, Kent Rader will help us to learn and experience how laughter matters as an effective business tool. In addition to being a successful public speaker, Rader holds a CPA and was a hospital CEO for some 17 years. On Thursday, we have the distinct pleasure of hearing Stephen Gauthier, Director of Technical Services at GFOA present. He will be sharing his insight into internal control based on the new (2013) COSO guidelines; GFOA's newly published Elected Official's Guide, and more! On Friday, our closing speaker is the Potentialist –Dion Jordan of Portland, OR. Dion will share with us his thoughts on All That it Takes, Is All that You've Got. This presentation convinces you that what you need to succeed is already within you. You will be inspired, touched, and walk away with a newfound confidence. Both Gauthier and Jordan will also lead breakout sessions immediately following their keynotes.



Welcoming reception will be held at LeMay America's Car Museum.

On the lighter side of things we will have our welcoming reception at the nearby LeMay America's Car Museum. This new museum is incredible. It will be a perfect time to network and meet up with old friends and make new ones. The car collection consists of automobiles and artifacts spanning over 100 years of automotive history plus an on-loan collection of over 100 vehicles. Light appetizers and beverages will be available. Transportation will be provided to and from the event. Our golf tournament at Tacoma's Metro Parks Meadow Park Golf course will be held Tuesday morning – sign up now! The Wellness Walk will be a pleasant stroll from the conference site to the LeMay America's Car Museum via the Thea Foss Waterway. Of course, no WFOA conference would be complete without an exciting banquet and dance. Celebrate our 60th with an evening of good food, music and dance with entertainment provided by Dueling Pianos with Jeff and Rhiannon.

As you know, the conference is pulled together annually by WFOA volunteer membership. I would like to take the opportunity to thank the WFOA Board of Directors, the members of the Local Conference committee and the Education committee for all the time, effort and enthusiasm they have shared in organizing this great event!

We are extremely excited to offer a conference with high-quality sessions and speakers and hope that you take this opportunity to participate in this conference. We look forward to seeing you this September in Tacoma!

Help us to get to 100!

Did you know that WFOA has a Facebook page? It's true, we do. You can find our page at www.facebook.com/WFOA.org.



We currently (at the time of writing this article) have 64 "Likes" for our Facebook page. Help us to get to 100 "Likes" and qualify for a gift card.

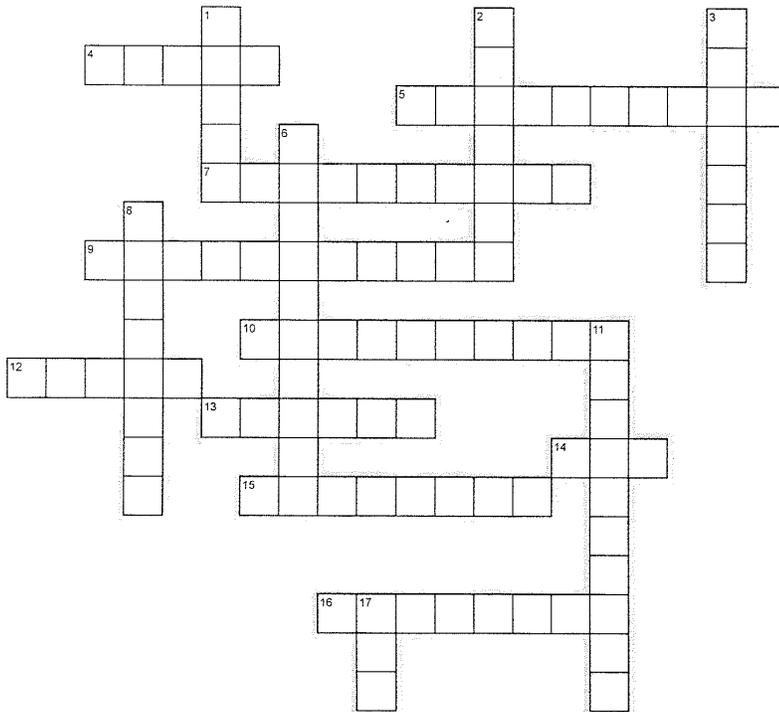
If we make it to 100 "Likes" by the end of June, two people who "Liked" our page (either recently or long time "likers") will be randomly chosen to receive a \$5 gift card. By the way, one of the clues for this issue's crossword puzzle comes from a recent Facebook post.

And once you "like" our page, don't forget to comment on posts.

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Crossword puzzle



EclipseCrossword.com

Across

4. We'd like 100 of these on our Facebook page
5. We have an entire article about him - leaving WFOA Board and getting a very cool award! (2 words)
7. Chuck is getting a Governor's Award for ___ in Management. (Way to go, Chuck!)
9. Jack asked us to consider being a non-conference class ___
10. What Miracle Max from The Princess Bride might say about GASB's Financial Projections Project - 2 words (not "all dead")
12. GASB Chair - David A. ___
13. We posted a Shout out on our Facebook page to him for his help with our recent Education Committee conference call
14. We will have a new electronic system for ___ credit at our conference this year
15. Stephen ___ from GFOA will speak at our conference
16. The Acting State Auditor (2 words)

Down

1. For 6 years, Jan Jutte was SAO's Director of ___ Affairs
2. When you coordinate a non-conference WFOA class, you get a \$150 ___ to apply to another WFOA event
3. According to the article, Chuck talked about this in one of his WFOA business meeting presentations (only 1 word)
6. Their Municipal Finance Officers conference had over 900 in attendance
8. IN 2002, they declared bankruptcy (big!)
11. Brad's article points out that SAO's audits have some ___ built in
17. Our 2015 Conference diamond level sponsor: ___ Member Pooling Programs

Solve the puzzle and win! One lucky winner, selected at random from those who submit the correct answer, will win a \$5 gift card to Starbucks. First, complete the crossword puzzle, then use the clues to find the words. Email your answer, (the phrase, not the whole puzzle) within two weeks of newsletter publication to dan.speigle@sos.wa.gov.

Each clue below has a number from the crossword and F – for the first letter in the answer, L – for the last letter in the answer, or a number telling which letter (if not first or last) in the word. Fill in the letters and spell the words. So if word number 25 was WFOA, 25F would be "W"; 25L would be "A", 25/2 (second letter of the word) would be "F". Clear as mud? Okay, get ready.... And go!

11L 14/2 8/3 4/2 3L 15F 9F 5L 16L 15/2 13L 3/3 9/7 15F