



Newsletter

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EDITION 2

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

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2016 - 2017

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PRESIDENT'S MESSAGE

2017 CONFERENCE IS ALMOST HERE

by ADÉ ARIWOOLA

It is amazing our annual conference is just few months away. The hotels are filling quickly, the [online registration](#) is open, and many great speakers are lined up for you. I hope you have booked your hotel and you are planning to register for the conference early to take advantage of the discount. As accountants we try to save every nickel we can and where we can.

The immediate past President of GFOA, Marc Gonzales, will be joining us in Kennewick. His year as the President was one of the most unique and challenging years for any recent GFOA President. He will have more to say about the changes within GFOA in the last year and what he thinks the future holds for our association. Join us in Kennewick and hear how you can get more involved in GFOA, scholarships are available to pay for most of your costs to attend GFOA conference, and there are many committees that are looking for people like you to contribute their skills and ideas.

Christopher Thornberg of Beacon Economic LLC will be one of our keynote speakers. He is the author of the economic magazine "No Nonsense Economics. It is economic insights – without the hypes", as he calls it. He is an energetic speaker and considered to be one of the nation's leading economists. He has delivered several keynote addresses to the California Society of Municipal Finance Officers (CSMFO). Dr. Thornberg holds a Ph.D in Business Economics from The Anderson School at UCLA, and a B.S. degree in Business Administration from the State University of New York at Buffalo.

Bruce Chase from Radford University will be joining us again for the CPFO program. It is a refresher course for the CPFO exam, but it is even beneficial for those who are not planning to take the exam. You don't have to take the exam, but if you would like to, please register with GFOA. Check the [GFOA website](#) for more information. Please be advised that there will not be an exam offered at this conference based on the feedback from last year's conference. Those that have taken the course and the exam would prefer more time to study and would rather just enjoy the conference.

This past year, we had changes in the elected state offices that affect us, State Auditor, and State Treasurer for example. Come and meet your new elected officials and have an opportunity to ask them questions. There will be a panel of elected officials at the general session that will include the newly elected Auditor and Treasurer, and the Secretary of State.

The local committee has fun-packed activities for you; you will not want to miss this conference. One of the highlighted activities is a tour of [Hanford Nuclear Reservation](#). The tickets are limited and it will be first-come first-served.

The WFOA Board has worked very hard to make sure we provide ample opportunities for all of our members to volunteer and grow within our association. Please consider serving as a volunteer on any of our committees. You can nominate yourself or someone else to serve on the Board or to be an honorary member. Submit information on their involvement, or yours, with the association directly to the President-Elect or to any Board member for the onward delivery to the nominating committee or the Board.

(Continued on next page)

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President's Message

(Continued from page 1)

The following are the requirements according to our bylaws:

HONORARY Memberships:

- 1) Active members or affiliate members who have made an outstanding contribution to the Washington Finance Officers Association whose efforts deserve public recognition shall be eligible for honorary membership. A request to grant honorary membership to such a person must be submitted in writing describing the reasons and presented to the Board of Directors for its consideration.
- 2) Retiring charter members and past presidents retiring from active employment in governmental service in the state of Washington may be awarded honorary membership.
- 3) Honorary membership shall be elected by the Board of Directors.

Nominations Committee

The Nominations Committee shall be composed of the president, past president, and president-elect and chaired by the president-elect.

- a) A vacancy on this committee shall be filled by the president with the Board of Directors being advised.
- b) Annually, at least one newsletter shall include solicitation of the membership for suggested names to the nominating committee to fill open Board and advisory committee positions.
- c) Board membership and advisory committee recommendations, whenever possible, should be representative of all geographical areas of the state, size of organization, and types of government entities.
- d) The nominations committee shall present a written report of proposed officers and directors to the Board of Directors no later than the summer board meeting. The report shall be published in the newsletter prior to the annual meeting.
- e) Other nominations for open board positions may be made from the floor at the annual meeting, provided consent of the nominated member has been obtained.
- f) Nominations to serve on the Board of Directors should primarily be based on prior service to the Washington Finance Officers Association.
- g) Nominations to serve on advisory committees should primarily be based on anticipated commitment to continue a high level of service to the association.

Please volunteer and get involved. You are the future of our association.

Growing Pains

Our association is getting bigger and that is a good thing; however with growth comes growing pains. The bigger we get, the fewer the facilities and cities that are big enough to accommodate our size. In the past few years, the WFOA has been limited to holding its conferences in Tacoma, Spokane, Yakima, Kennewick, and Vancouver. The painful part is that this growth has eliminated the capability for other deserving cities, like Wenatchee, Bellevue, Tulalip, and SeaTac, to hold the annual conference. Having the conference in a limited number of cities has put more pressure on our members in those communities to serve on the local committees over and over again. The volunteers are getting tired and budget cuts from the last recession have not helped either. With this in mind, your Board is exploring the use of professionals to manage our conference and gradually transitioning from full volunteer conference management to professionally managed conferences. We will keep you abreast as we move along.

Changes on the Board

Based on feedback from members and the result of the goal-setting at its retreat in January, the Board established a new Board position; "Chair of Professional Development and Sustainability Committee". Pending the general membership election in September and with the Board approval, I have appointed Sadie Armijo from the State Auditor's Office to chair the committee. The Board and I consider the appointment suitable since the SAO is already involved in a lot of outreach with colleges via internship programs, recruitment, professional development, and long-term sustainability in the government accounting profession in general. The Awards Committee Chair position has been eliminated. It was concluded that the awards program was intended to inspire members to work hard and achieve a GFOA award and not intended to be another award equal to the GFOA budget or CAFR awards. Scholarships will be provided for some of the current participants to apply to GFOA for certification for a limited time. Since the GFOA has the CPFO program, our PFO program will sunset in 2020.

Thank you for your on-going commitment to WFOA and I hope to see you in Kennewick.

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GASB UPDATE

By **STACIE TELLERS**

Legislative and Professional Standards Chair

The Governmental Accounting Standards Board (GASB) establishes generally accepted accounting principles (GAAP) for U.S., state and local governments. All statements, exposure drafts and other documents for public comment are available at the GASB website, www.gasb.org, free of charge. Here is a summary of current and upcoming accounting and financial reporting standards.

Current GASB Pronouncements

There are several new standards effective for the December 31, 2017, statements:

- Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68* – The requirement that any assets accumulated for a pension plan that does not meet the criteria of GASB 68 be reported as assets of the employer is effective for 2016. The remaining requirements of this statement are effective for 2017.
- Statement No. 74 – *Other Post-Employment Benefits (OPEB) Plan Reporting* – This statement replaces Statements No. 43, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*. If you have a defined benefit and defined contribution OPEB Plan administered through a qualified trust, this statement is for you.
- Statement No. 80 – *Blending Requirements for Certain Component Units* – This statement amends the blending requirements for certain component units established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.
- Statement No. 81 – *Irrevocable Split-Interest Agreements* – This statement improves the accounting and financial reporting for irrevocable split-interest agreements.
- Statement No. 82 – *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73* – This statement addresses issues related to payroll measures, treatment of deviations from the guidance in the Actuarial Standard Practice for financial reporting purposes, and the classification of payments made by employers to satisfy plan member contribution requirements. This statement is effective in 2017, except for the requirement of the statement that relates to the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end, in this case the portion of the statement related to this is effective in 2018.
- Implementation Guide 2016 -1 – this guide provides guidance that clarifies, explains, or elaborates on GASB statements. This guide discusses disclosures related to deposits and investments, cash flows reporting, financial reporting, pensions, and more!

Upcoming GASB Pronouncements

- GASB Statement No. 75 – *Accounting and Financial Reporting for OPEB* – This is the guidance for reporting OPEB by employers. It is comparable to GASB 68 for pension plans. It is effective for 2018.
- GASB Statement No. 85 – *Ominibus 2017* – This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. It is effective for 2018.
- Implementation Guide 2017-1 - this guide provides guidance that clarifies, explains, or elaborates on GASB Statements. This guide discusses disclosures related to cash flows reporting, financial reporting, pensions, fund balance reporting, tax abatement disclosures, and more! It is effective for 2018.

GASB is actively working on the Financial Reporting Model project. This project is evaluating the effectiveness of GASB Statements No. 34, 35, 37, 41, and 46, and Interpretation 6. GASB is currently in the process of reviewing comments received from the most recent public hearings and user forums related to this project. A draft of the Preliminary Views is estimated to be published in the summer of 2018. For more information on GASB projects visit [GASB Project Page](#).

WASHINGTON REGIONAL FINANCE OFFICER GROUPS

Sno-King Utility Finance Officers Quarterly: as announced
Contact: Robert Wagner
360-668-6766 ext.103
robertw@crossvalleywater.net

Puget Sound Finance Officers Association
2nd Wednesday of February-March, May-August, October-December
Contact: Kim Krause
206-439-3150
kimk@burienwa.gov

Olympia AGA (www.aga-olympia.org)
Monthly – as announced
Contact: Stefanie Niemela
360-725-4402
stefanie.niemela@del.wa.gov

Eastern Washington Finance Officers Association
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: Mari Ripp
360-225-8281 x114
rippm@ci.woodland.wa.us

Central Washington AGA
Monthly: Second Wednesday at noon
Contact: Judy Pless
509-962-7502
judy.pless@co.kittitas.wa.us

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GOOD BYE TO MR. GFOA

By **ADÉ ARIWOOLA**

WFOA President

In the presence of over 200 invited guests, Mr. GFOA was honored for his service to Government Finance Officers Association (GFOA). Jeff Esser retired after 38 years of service to GFOA and its members. He served 34 of the 38 years as the CEO of GFOA. Some of the accomplishments under his leadership include:

- GFOA grew from 9,000 to 19,200 members; the leadership of the association has a better representation of the general membership.
- The GFOA staff has become one of the finest professional staff of any national association in the world.

Prior to his final bowing out, the GFOA Board had been working on a succession plan for the past four or five years. The immediate past president, Marc Gonzales, and the Board went through a rigorous national search. After months of exploration, the GFOA has selected Chris Morrill, former President and City Manager for the City of Roanoke, Virginia, as the new CEO. Morrill will be stepping into big shoes, but as a former board president who is familiar with GFOA culture, values and the vision of the association, he is well-qualified to take over the responsibilities of leading this great association.



Jeff Morrill

Morrill will serve as the new Executive Director/CEO of the Government Finance Officers Association of the US and Canada. Prior to his appointment as the new CEO he served from 2010 to 2017 as Roanoke City Manager. Prior to his time in Roanoke he served as the Assistant City Manager and Budget Director for the City of Savannah, GA, and as a Budget Analyst for Catawba County, NC. From 1999 through 2001, Chris served as Senior Municipal Finance Advisor to the South African National Treasury under the United States Agency for International Development project. In this position, he assisted the South African government with developing local government finance legislation, municipal budget reforms, and capacity building programs. He served from 1992 through 1994 as a U.S. Peace Corps volunteer in the former Soviet Union, where he advised the City of Lviv, Ukraine on finance and management issues.

Morrill co-authored *The Savannah Story: The Road to Equity and Sustainable Community Development* in [Economic Development in American Cities: the Pursuit of an Equity Agenda](#). He completed a three-year fellowship in the Kellogg National Leadership Program, exploring conflict resolution and community building in Peru, China, Northern Ireland, and South Africa.

The GFOA staff members were pleased with the selection and look forward to what the future will bring for GFOA. While looking toward the future, we cannot forget the past. We honored Jeff and truly appreciate all of his hard work, dedication and contributions to GFOA. Jeff will be missed, but he can rest assured that the association for which he has worked so diligently will be in good hands with Chris.



WFOA President Adé Ariwoola and Mr. GFOA, Jeff Esser.

Register Now for the 2017 Annual Conference!

By **DAN LEGARD**

2017 Conference Chair



Registration for the 2017 WFOA Annual Conference on September 12 -15 at the Three Rivers Convention Center in Kennewick is now open. Come enjoy everything else that Kennewick and the surrounding Tri-Cities area has to offer while taking advantage of the outstanding educational and networking opportunities our conference offers. As government finance professionals, we often provide the support and expertise behind the scenes that allows our co-workers to be the heroes in the eyes of the public. Some would say we're the "hidden heroes" of the public sector. Join us in Kennewick for an outstanding week of education and fun and *Let Your Hidden Hero Shine!*

Expand your conference educational opportunities by registering for one of the full or half-day pre-conference sessions on Tuesday, or start your conference experience with some golf at the Horn Rapids Golf Course. If you're looking for an activity that is truly unique to the Tri-Cities region, sign up for an exclusive half-day tour of the Hanford B Reactor National Historic Landmark offered only to WFOA members.

After a full day of classes on Wednesday, join us for a Wellness Walk at the Southridge Sports & Events Complex, home of Kennewick's 9/11 Memorial that includes an actual steel column recovered from the World Trade Center Twin Towers after the 2001 terrorist attacks. Then wrap up the day with your peers at the Convention Center for our Wednesday evening reception.

Enjoy another full day of educational opportunities Thursday, and then join us for our conference banquet, featuring some fun and entertainment from our "Heroes of the Juke Box" Woody and the Longboards. The banquet promises to be a great evening with wonderful food, friends, and entertainment!

I would like to take an opportunity to thank the many volunteers who help to make our annual conference possible, including the WFOA Board of Directors, Education Committee, and members of the Local Conference Committee. Without their hard work and enthusiasm for WFOA and this conference, our annual conference wouldn't be possible.

We're looking forward to seeing you in Kennewick. Take advantage of early bird pricing and register today!

STATE AUDITOR: Financial reporting should be easy to read and understand

From SAO's April 19, 2017 / [auditconnectionwa](#)

Since the original issuance of Governmental Accounting Standards Board (GASB) Statement 34 in 1999, the Office of the Washington State Auditor has found the resulting financial statement presentations to be unnecessarily complex, less timely and more costly for state and local governments to prepare and have audited. These presentations are also more challenging to understand.

Financial statements prepared by state and local government entities in the United States are longer than those prepared by other organizations in the United States and around the world, due to the use of different accounting methods (e.g. modified-accrual and full-accrual) within the presentation.

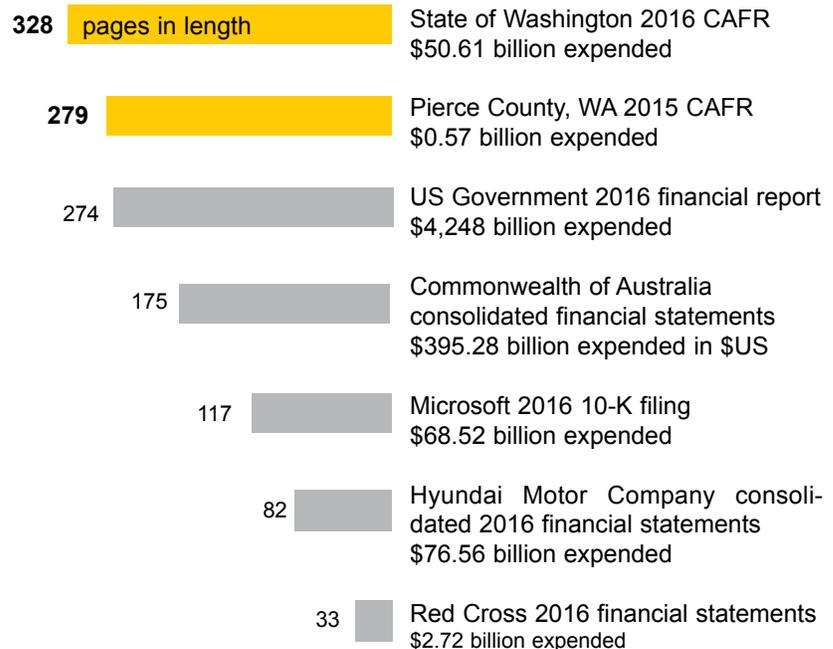
As a result, in 2007, the Washington State Auditor eliminated thresholds requiring certain local governments to prepare financial statements under this reporting model, allowing the choice of a cash-basis alternative based on the individual needs of each local government. Our office remains committed to that option for those local governments.

The GASB recently issued an [invitation to comment](#) on options for improvements to the financial reporting model over governmental funds. Each option could have appeal, depending on the reader's point of view and use of the resulting information. Therefore, [responses](#) to the GASB were many and varied, with some asking for no change at all.

Washington State Auditor Pat McCarthy's [response](#) to the GASB took a big-picture view. She used this opportunity to urge simplification – not only of financial reporting for governmental funds, but the entire reporting model, as well. Her support of the full-accrual reporting option for governmental funds noted that:

- All statements would be presented on the same basis, and as a result, eliminating the need for reconciliations and making financial statements more understandable.
- State and local governments already calculate these amounts for their government-wide statements.
- Some of the detailed information could be combined, eliminated or moved to supplementary information.

Exhibit 1: Current model is too long



Because she understands that state and local governments use information from the existing reporting model for developing budgets and demonstrating fiscal accountability to the public, Auditor McCarthy further advocated for consistency in the way that information is calculated and presented.

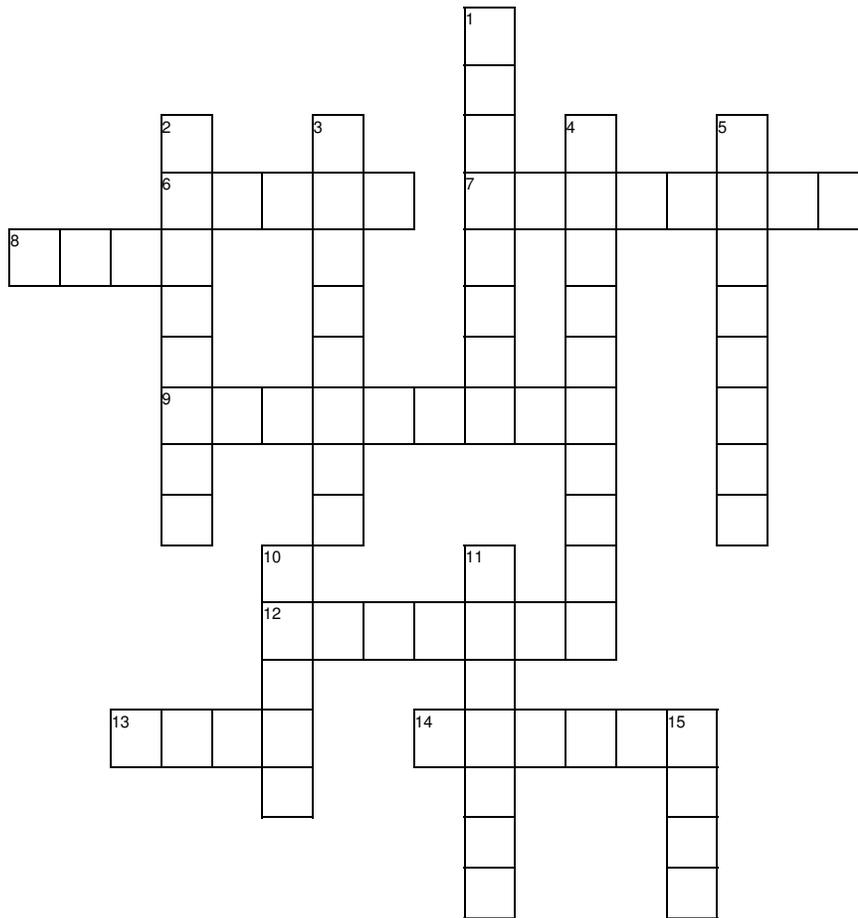
The response to the GASB also contained other suggestions that could make reporting less burdensome for state and local governments and make statements more understandable. While any change to the reporting model would take time and effort to implement, the long-term benefits of increased efficiency, timeliness and usefulness offset the short-term costs. Auditor McCarthy urged the GASB to consider both the cost and benefits of any changes to the entire financial reporting model, and give priority to those that make reporting less complex and easier to understand.

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WFOA JUNE 2017 CROSSWORD PUZZLE



ACROSS

6. Mr. GFOA - Mr. ____
7. Past GFOA President ____ will attend our conference
8. Golf Tourney location - ____ Rapids
9. Our conference will have a panel of elected ____
12. Special tour in conjunction with our conference - ____ Nuclear Reservation
13. Dr. Thornburg's economics are without the ____
14. New WFOA Board member - Sadie ____

DOWN

1. Mr. Morrill was City Manager of Roanoke, ____
2. GASB 73 and 82 also deal with ____
3. State Auditor to GASB - consider costs and ____
4. State Auditor - Financial reports should be easy to read and ____
5. GASB 80 deals with ____
10. ____ Rivers Conference Center
11. Jeff Esser's replacement - Chris ____

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. Complete the crossword puzzle, then use the clues to find the phrase. Email your answer, (the phrase, not the whole puzzle) within two weeks of newsletter publication to dan.speigle@sos.wa.gov

Congratulations to Jessica Walser from the City of Poulsbo for winning last issue's fabulous prize... a \$5 Starbucks gift card ... for correctly identifying the crossword puzzle phrase "A pot of gold". 11 others also got the right answer.

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. Fill in the letters and spell the words. So if word number 25 was WFOA, 25F would be "W"; 25L would be "A". Some numbers have both across and down words; under the location I've indicated which word to use. Hint: Many entities have this compassionate option.

3L 13F 14F 6L 13L 4L 11L 6F 1L 1F 10L