



Newsletter

FALL 2018

EDITION 3

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

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2017- 2018

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PRESIDENT'S MESSAGE



Jana Brown

The end of summer is approaching, the conference is nearly here and my term as president is coming to an end - I can't believe it! This is my last chance to write to you as your president and I, in true Jana fashion, have so much to say yet don't know where to begin. First, I would like to thank all of you again for giving me this opportunity. This experience has been incredible for me. WFOA has become such an important aspect of my world, it will be strange when I step aside for those coming up behind me. Fortunately, we have a great Board and group of leaders who will continue the mission for WFOA.

Some of the biggest and best benefits I have received from being on the Board is meeting so many individuals across the state. I have such an appreciation for our members! They work so hard and want to do a good job, care about their entities, have great personalities, and have so much to offer. I strongly believe there are some untapped skills that could benefit WFOA. So, if you are someone that I have encountered, beware. I may be persuading you to join one of our committees in some way.

Speaking of skills and committees... The dedication and hard work I have witnessed by the countless volunteers is inspiring. We continue to be a strong organization because of the volunteer efforts that come from our members. Our volunteers are the backbone of WFOA. When you add in the generous sponsorships we receive and the continued support of the State Auditor's office and State Treasurer's office, there is no stopping the recipe for excellence that other states envy. It truly is an honor to represent such a great organization that has such an awesome foundation of participants. THANK YOU!

I would like to shout out to the current volunteers who are working really hard right now getting ready for the conference, Carrie Lewellen and her Local Conference Committee. They are working super hard along with the team at Conference Solutions, LLC. The conference program is coming together nicely. Along with the education program, they have planned for games, prizes, wellness activities, receptions, and bands... oh my! I think every hotel room within a few miles radius of the convention center has been booked. There are 79 sessions of training being offered thanks to the Education Committee. We have been blessed with sponsors and vendors supporting our program. All of this has taken our volunteers countless hours of planning and preparation. They have done such a great job and I am so appreciative and looking forward for you all to see what they have in store for you!

This year has been a very busy and "different" year for all of us on the Board. I am sure you have all experienced different seasons in your work and your family life and some years are quieter than others. This was definitely not one of those quiet years! We as a Board have been in quite the season! First on the forefront, we have the experience of the new relationship with a "Conference Planner." Even though this is good, change can be challenging and can provide some added stress due to the transition. Many Board members have experienced staff vacancies at their agencies and with it brings the workload of finding someone new and training while still completing everyday tasks. Some are implementing new software or new processes. We have even experienced departures on our Board creating the unforeseen need for suitable replacements.

On a personal level, we have shared in family loss and grief that has transpired in the last few months. All things you may have also been experiencing among your own organization or family. I bring this up to first share with you on a human level, letting you know that we are all *just like you and struggle with the same* things you do. I share to also show how exceptional this group of leaders have performed despite the hurdles they faced. One of the reasons they have been successful is because they don't give up, but most importantly it is because they are willing to share with one another when hitting the wall and ask the team for help. It's a fine line to "find the balance" to our
(Continued on next page)

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WFOA Board Nominations

By CRAIG WARNER
President-Elect

In the March newsletter we sought nominations for upcoming open Board positions. A big thank you to everyone willing to volunteer their services for consideration. It is always a difficult choice to make and a responsibility the Nominating Committee does not take lightly. These nominations will impact the future direction of WFOA for years to come.

Nominees are selected using past contributions on WFOA committees and boards and their willingness to continue to serve WFOA. The Nominating Committee will be submitting the following slate of officers for consideration at the general meeting during the Thursday luncheon in Vancouver. The nominees are:

EXECUTIVE OFFICERS

- President-Elect – Brad Posenjak, City of Wenatchee, 1-year term
- Vice President – Dale Hough, Lacey Fire District #3, 1-year term
- Treasurer – Jack Broyles, Woodinville Water District, 1-year term
- Secretary – Dan Legard, City of Kennewick, 1-year term

ELECTED DIRECTORS

- Member Communications and Scholarship Chair – Mickie Cooper, Lake Stevens Sewer District, 1-year term
- Legislative and Professional Standards Chair – Stacie Tellers, State Auditor's Office, 3-year term
- Education Committee Co-Chair – Debbie Booher, City of Poulsbo, 3-year term
- 2020 Conference Chair – Sandi Roberts, Pierce County Planning & Public Works, 3-year term

The WFOA Bylaws state that the Board President will succeed the Past President without further election and the President-Elect will succeed the President without further election.

The past year has been a very productive and busy year under the leadership of our President, Jana Brown, who has served this Association for many years. Jana's dedication to WFOA and our members during her service on the Board is an inspiration for all of us that follow in her footsteps. She reset the bar for future Board members so please join me in thanking Jana for her many years of service and devotion to our association as she transitions from President to Past President.

The slate of the nominees will be presented for consideration during the annual general business meeting held on Thursday, September 20, at the annual conference in Vancouver. We sincerely appreciate the willingness of these nominees to serve our Association and we thank them.

President's Message*(Continued from front)*

everyday lives in this hectic world we all live in. The thought of volunteering or taking on one more thing often seems unsurmountable. However, I would challenge you to do it. When you are in a group such as ours, the support, the friendship and the reward of contributing to a great organization really provides a valuable sense of accomplishment and reward. I am sure that despite all the challenges over the past year, if you were to ask the board members about their experience, they would say they are happy and grateful to be a part of such an amazing organization.

Think about how you can contribute even just a little bit, you will be surprised how rewarding it can be. On that note, I will end, but I hope to see each of you at the conference. Please stop me and say hello!

**THANK YOU TO OUR 2018
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THANK YOU TO OUR 2018 CONFERENCE PLATINUM LEVEL SPONSORS



Join Us Sept 18 – 21 for 4 Days of Education, Entertainment



By **CARRIE LEWELLEN**
2018 Conference Chair

The 2018 WFOA Annual Conference will be on September 18 – 21 at the Hilton Vancouver Conference Center. For those of you who have registered, we thank you! As of this printing, we have reached capacity and have had to close registration. We are expecting close to 800 attendees at this year's conference. For attendees staying at the Red Lion and at the Heathman, please plan to use the shuttle buses. For those staying at other hotels, if at all possible, we highly encourage carpooling. There will be 3 parking lots available to park, but they are first come, first serve and open to the public. Please plan to pay for parking each day. In addition, there will be some long-term metered parking available a few blocks from the Convention Center.

TUESDAY (Pre-conference)

WFOA is pleased to offer a variety of pre-conference sessions. We are offering 3 different pre-conference full-day workshops starting at 8:00 a.m., and 2 half-day workshops also starting at 8:00 a.m. There is room for additional attendees at the pre-conference workshops, if you are looking for additional CPE credits, please consider registering for these classes. Remember to "tap" your badge on the Tap n Go stand before and after each pre-conference class to get credit for your attendance. This system allows us to automatically track conference attendance for all sessions and meals. Personalized Certificates of Attendance will be available on-line following the conference. Please see the WFOA Conference website <http://wfoa2.wpengine.com/resources/sessions/> or check the Guidebook app for more details.

OR
Participate in our WFOA Annual Golf event at the Tri-Mountain Golf Course from 9:00 – 2:00. Please make sure to register for this event separately. We are also offering a guided kayaking excursion at the Ridgefield National Wildlife Refuge. This event runs from 1:00 – 4:00. If you are interested in attending this, please make sure to register for the event separately.

WEDNESDAY

Registration and the Info desk will open at 7:00 a.m. in the lobby. This is where you will pick up your conference bag, name badge, etc. The morning will begin with breakfast at the Hilton Vancouver Conference Center in the Heritage ballroom at 7:00 a.m. We will open the conference at 8:30 a.m. with keynote speaker Joel Zeff, featuring "The Tao of Ta-Da", Watch What Happens When Work Becomes Play". Remember to "tap" your badge on the Tap n Go stand after each class to get credit for your attendance. Between sessions and during vendor breaks, make sure you enter in and play the game to get to know the vendors, and get a chance to win a great prize! After a full day of classes on Wednesday, join us for a Wellness Event at Esther Short Park, which will include a walk around the new waterfront park, and other fun activities. After that, join your peers at Esther Short Park for our Wednesday evening Welcome Reception, which will feature light refreshments and beverages.



Hilton Vancouver Convention Center

THURSDAY

Breakfast will start at 7:00 a.m. on Thursday. At 8:00 a.m., keynote speaker Michael Feroli, Chief U.S. Economist at J.P. Morgan will share the state of the U.S. economy and prospects for the remaining of 2018, and possible insights going into 2019. Make sure you turn in your vendor play card at registration, or submit the on-line game Thursday morning. Lunch will be served during our annual WFOA business meeting. Join us in welcoming our new WFOA President and hear brief remarks from our special guests. After you enjoy another full day of educational opportunities Thursday, join us for our conference banquet starting at 6:00 p.m. The banquet promises to be a great evening with wonderful food, friends, and entertainment from Hit Explosion!

FRIDAY

Breakfast will start at 7:30 a.m. Friday. The keynote speaker will begin at 8:15 a.m. and will feature Kelly Pope sharing a story called "All the Queen's Horses" about one of the largest municipal fraud cases in American history. Excellent Friday morning sessions will help you wrap up another great conference at noon, allowing you to get on to your next great adventure.

Thanks for coming to Vancouver! You'll be glad you did!

Living in the Past – WFOA's First Annual Conference

By **BRAD POSENJAK**
WFOA Vice-President

The WFOA annual conference is in Vancouver for the sixth time since the organization began. It just so happens that WFOA's first annual conference was held only three blocks away at the Eagles Hall in 1956. The program for the 1956 conference included the following topics:

- Machine accounting for L.I.D.'s
- Machine accounting – other funds
- Long term and short term investments
- Improvement of approved forms
- Uniform accounting system
- Cost of operation of city owned cars in comparison to mileage on private cars.
- Discussion on vacant lots paying water and sewer charge.

According to the meeting minutes, the Eagles Auxiliary served 64 turkey dinners at the conference banquet. The evening also included the Dean of Oregon State College who "entertained with an illustrated lecture of Pakistan." There was no mention of dancing in the minutes.

Attendees had the choice of staying at the Evergreen Hotel or at Larry's Motel. WFOA advertised the nightly room rates for the lodging. The highest room rate was at Larry's Motel where you could get a "Two room unit, double bed" for \$8.00 per night. If you were on a budget, you could stay at the Evergreen Hotel in a "Single without bath" room for only \$3.25 per night. Unfortunately, this hotel went out of business in the late 1970's and there are no rooms currently available at these prices.

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Cities Must Adopt a Mandatory Model Threshold for Business Licenses This Year

Earlier this summer a work group of city finance directors and business license officials finalized work on a model business license minimum threshold. Now, all cities with general business licenses must adopt it by the end of the year (RCW 35.90.080).

The law required the city work group to develop a model ordinance for business licensing by July 1, 2018. The ordinance the work group developed to includes a mandatory definition of “engaging in business” and a minimum threshold (or occasional sale) exemption to establish when out-of-town or transient businesses are required to be licensed.

The deadline for adopting the mandatory model depends on how your city administers its business license. Cities that currently partner with the state’s Business Licensing Service (BLS) for business licensing administration have a deadline of October 17, 2018, because they must provide BLS 75-day notice of any changes to their business licenses (including this mandatory change). All other cities with a business license must adopt the model by January 1, 2019.

For the latest information, be sure to mark your calendars for the WFOA Annual Conference session on Preparing to Streamline Your Business License on Wednesday, September 19.

What is in the model?

The model threshold has two pieces: a model threshold and a definition of “engaging in business.”

The model business license threshold language:

- Applies a minimum threshold of \$2,000 per year in the city for businesses that do not have a location in the city;
- Requires a license for businesses with a location in the city without regard to the threshold;
- Allows cities the alternative option to require registration with no fee for businesses under the threshold; and
- Only applies to general business licenses, not regulatory licenses or local taxes.

The definition of “engaging in business” includes examples of what constitutes business activities in cities that would subject a business to license requirements, as well as those activities that would not. The model language is adapted from the definition that the 45 cities with local B&O taxes have already adopted for the definition of “engaging in business” in the B&O tax model ordinance.

Cities can choose one of two options for the threshold:

- An exemption for out-of-city businesses below the \$2,000 threshold; or
- A fee-free license option that would require an out-of-city business below the \$2,000 threshold to register for a license, but it would not be charged a fee. In addition, the threshold is a minimum threshold and cities can also choose to implement a higher threshold amount.

What if my city doesn’t meet the deadline to adopt the mandatory model language?

RCW 35.90.090 provides that a city cannot enforce its business license after January 1, 2019, until it has adopted the mandatory threshold.

Background

Legislation passed in 2017 (EHB 2005 - RCW 35.90) made a number of significant changes related to city general business licenses and local B&O taxes. The law:

- Required cities with business licenses to establish a work group to create a model business license with a licensing threshold by July 2018 for adoption by all business license cities by January 1, 2019 (or October 17, 2018 for BLS partner cities);
- Required all cities with business license to administer their business license through the state’s Business Licensing System (BLS) by December 31, 2022 or FileLocal by July 1, 2020; and
- Established a task force on local B&O tax service apportionment under RCW 35.102.130 to report to the Legislature by October 2018.

More information:

WFOA Annual Conference
 “Preparing to Streamline Your Business License” session
 Wednesday, September 19

Factsheet

AWC webinar - Prepare to streamline your business license
 webinar recording
 AWC Annual Conference presentation
 MRSC article
 Sheila Gall, AWC sheilag@awcnet.org



Local Audit Billing Rate to Rise in 2019

By **KELLY COLLINS**, State Auditor Representative

The State Auditor's Office is adjusting the hourly local audit billing rate in 2019. For further information, here are some background facts on the Office's rates, plans and budget.

- The Auditor's Office is implementing cost-of-living salary increases for all employees, as approved by the Legislature. Additionally the state Office of Financial Management recommended and approved a 5 percent increase specifically for the state auditor classification.
- Funding these increases requires an adjustment in the local government hourly billing rate, to \$100.
- The great majority of your audit bill goes straight into local audit teams, with most of that going to salaries and benefits for auditors.
- We heard from local governments that they value working with experienced auditors. Incremental salary increases in the past few years have helped retain those experienced auditors.
- Four years ago, many of the Office's experienced auditors were leaving for positions in other governments that paid \$10,000 a year more. Since then, the turnover rate has fallen by more than 40 percent.

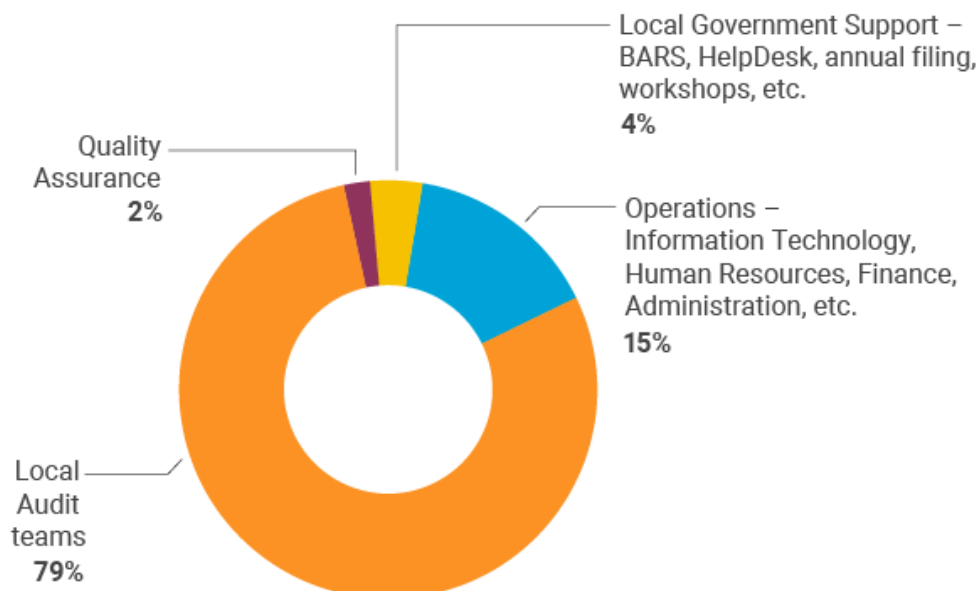
To more appropriately manage our costs, the Auditor's Office moved away from solely increasing the hourly audit billing rate this year.

- The hourly billing rate for auditors in travel status has been adjusted to 75 percent of the full rate, or \$75. When auditors are traveling, the Auditor's Office still incurs full salary and benefit costs. We believe the 75 percent rate is closer to the Office's actual operational costs.
- A new billing rate for fraud work has been set at \$125 an hour. Fraud investigations are much more expensive than a typical audit. They involve legal review, for example, and this rate reflects those higher costs.

Like each of your governments, the Auditor's Office must routinely account for increases in costs while providing high-quality, efficient services. We want you and the people in your communities to have confidence in the independent reviews the Office provides. At the Washington Finance Officers Association's conference in September, you will hear more about the improvements being made to the services you use.

The billing rate adjustments made this year are investments in high-quality services. We will continue to stay in communication with you regarding billing rates and encourage you to contact us if you would like to talk more about audit costs. We value your partnership and investment in good government.

Local Government Billing Rate Breakdown





Staci Ashe

Meet Your Newest WFOA Board Member

Hello! My name is Staci Ashe and I am the newest member on the WFOA Board. I am serving as the representative for the State Treasurer's Office. I have been with the State Treasurer's Office as the Local Government Investment Pool (LGIP) Administrator since May of 2017. In this position, I am responsible for the administration of more than 600 pool accounts. I am also the administrator for the LGIP bank accounts, the Linked Deposit Program, and the Time Certificate Deposit (TCD) Program. Prior to the Treasurer's Office, I was an Accounting Assistant II for the Thurston County Auditor's Office in the Financial Services division for over six years. I also have over 5 years of experience in banking.

In addition to being on the board, I am a member of the WFOA Education Committee. My first exposure to WFOA was last year. In addition to attending the conference, my roles with WFOA have been helping with the coordination of the investment pre-conference and conference tracks, serving as a class moderator, and coordinating a non-conference investment class. I was very nervous at first, but everyone I have encountered through WFOA has been so wonderful, welcoming, and helpful! I look forward to meeting more and more people. I also have the pleasure to meet more of you while attending the Washington Association of County Treasurers (WSACT) Conference and the Washington Public Treasures Association (WPTA) Conference each year. I just began my first year on the WPTA Education Committee as well.

Now on to the personal details, which by the way, I always feel awkward talking about myself! I grew up in the small town of Raymond and moved to the Olympia area when I started dating my husband, Jason in 2010. We have a beautiful, fun, and sassy 4-year-old daughter Kiera, and a chocolate lab Ellie Moose. They both keep us on our toes and you would think they were real sisters!

I am really an open book so if there is anything you want to know, just ask away! I am very thankful to have this opportunity to join the Board and I cannot wait to learn even more about the world of WFOA. I am excited to see familiar and new faces in Vancouver!

WFOA Membership: Who Are We?

The membership directory is available to all members via the WFOA website. A quick analysis of the membership reveals an impressive longevity of members and a wide distribution among entity types. WFOA currently has a total of 1,611 members distributed among the following entity types:

Cities	594	Fire	66	Transit	34
County	361	School/Library	47	Honorary Members	21
Affiliates	101	PUD's	40	Health District	17
State Agencies	78	Housing Authority	35	Other	105
Water/Sewer District	78	Port District	34		

The "other" category is made up of parks, hospitals, 911 call centers, courts, and a wine commission to name a few. Of course, the directory is only as good as the information provided by the members. Please go in and review your information and submit any changes to the MRSC, which maintains our membership list on our behalf. If you need assistance or have a change here is how to contact: <https://www.regonline.com/builder/site/Default.aspx?EventID=1330595> or (206) 625-1300

Also, if you have not registered for the conference this year, be sure to sign up to receive future WFOA Conference updates by joining our email mailing list. Please know this list will not be used for any other purpose but to send out conference information. Join today by clicking [HERE](#).

WFOA Members Can Serve on SAO Advisory Committee

By STACIE TELLERS,
Legislative and Professional Standards Chair

Did you know that active WFOA members are eligible to be recommended for the Office of the Washington State Auditor's Local Government Advisory Committee, aka LGAC?

Q: What is the LGAC?
A: The LGAC is an advisory committee to the State Auditor.

Q: What does the LGAC advise on?
A: The LGAC can take lead roles in setting statewide financial policies that affect local governments. These roles could involve recommendations to the Legislature, responding to lawmakers proposed changes that affect the Budgeting, Accounting, and Report Systems (BARS), review state and federal legislation and its effects on BARS, review proposed changes from the Governmental Accounting Standards Board (GASB), and advise the Auditor's Office on issues relating to the prescription of BARS for local governments.

Q: Who can be on the LGAC?
A: The LGAC is an advisory committee made up of representatives from local governments across Washington State who are nominated by various Washington State Associations. In addition to these representatives the committee also has representatives from the Auditor's Office and the Office of Financial Management.

Q: Where can I find out more?
A: Visit the newly developed LGAC page on the WFOA website: WFOA Website - LGAC Page

THANK YOU TO OUR 2018 CONFERENCE SILVER LEVEL SPONSORS



Changes to Fiduciary Reporting Take Effect Soon

By **KELLY COLLINS**, State Auditor Representative

Last fall, we posted an article strongly encouraging governments to start evaluating activities that might be classified as fiduciary activities under the Governmental Accounting Standards Board's (GASB) recently issued Statement No. 84. The changes to fiduciary activity reporting are right around the corner – effective for reporting periods beginning after December 15, 2018 – and affect not only governments that report under generally accepted accounting principles, but those that report using the cash-basis accounting model as well.

It might be tempting to put off consideration of this new standard until all the guidance and examples are issued, especially for cash-basis governments that follow the Budgeting, Accounting and Reporting System (BARS) Manual. However, dedicating the time now to understand where fiduciary activities exist within your organization will put you in the best position to effectively implement these changes. To help in your evaluation, we recommend using our Best Practices for Implementing New GASB Standards along with the specific suggestions below for getting started.

Read

Staff with financial reporting responsibilities should start by reading GASB 84 itself, which is found at the GASB website. While the statement contains only 28 paragraphs, this pronouncement covers a lot of ground that accounting staff must consider, such as component units, pension and OPEB arrangements, and other activities that are fiduciary in nature, as well as how to report these activities in the financial statements. Paragraphs 11 through 13 require special consideration, as we believe this is where most governments might mistakenly interpret the criteria and incorrectly identify fiduciary activities.

Discuss

Brainstorm about potential operations that may fit the definition of fiduciary activities, whether currently reported in an agency fund or not. Don't rely solely on accounting and finance staff; rather, actively seek input from across organizational lines, involving department heads and midlevel management to gain a solid understanding the nature of potential fiduciary activities. You might need to involve third party service providers such as your OPEB plan administrator.

Review

A member of the accounting staff should review general ledger accounts for fiduciary activities that might not be obvious. Special attention should be paid to liability accounts, revenue accounts with frequent or significant debit transactions, and miscellaneous accounts. If you identify potential fiduciary activities, you should evaluate further with those most knowledgeable about the activity. Also, review the activities already reported as agency funds to determine if they will remain in fiduciary funds or if the activities will need to be reported elsewhere.

Plan

Once your research is complete, you most likely will need to make some changes. Establish a plan to modify your agency fund structure to align with the four types of fiduciary funds as defined by GASB 84, including formal action by your governing body if required. Adjust accounting procedures to ensure fiduciary transactions are reported according to the specific guidance found in GASB 84. For example, you might need to change your procedures so that a liability to beneficiaries is only reported once an event has occurred to require a disbursement of assets.

Consider broader implications

Beyond just preparing for accurate annual financial reporting, spend some time considering other aspects of financial operations that may need attention. For example, monthly reporting to department heads and the governing body might need adjustment and could require additional explanation about the changes to those impacted. Budgeting processes might be affected, because resources and transactions might no longer be accounted for in their traditional funds. In certain circumstances, organizational changes might be needed for officials with responsibility for fiduciary activity to maintain that responsibility regardless of where the activity is reported.

Further guidance

Taking these steps now will allow you to identify questions or concerns in time for them to be addressed formally in GASB's implementation guidance or the BARS Manual. We will update the BARS Manual with the new definitions for fiduciary fund types and new financial statement examples in January 2019, and will include guidance for governments that report under the cash basis of accounting at that time. GASB has started drafting implementation guidance to answer common questions about the standard. As one of the nation's leading auditors of state and local governments, GASB asked our Office to serve as part of a consulting group to provide feedback on the implementation guide throughout the standard-setting process. This gives us additional opportunities to advocate for clarifications needed to address situations in Washington. We encourage governments to use our HelpDesk to share any questions or concerns they identify with the new standard during their research.

THANK YOU TO OUR 2018 CONFERENCE BRONZE LEVEL SPONSORS

FRIENDS OF WFOA



Municipal Securities, the SEC, and Your Entity



By STACIE TELLERS,
Legislative and Professional Standards Chair

The Security and Exchange Commission (SEC) Approves Amendments to Disclosure Rules. The amendments approved by the SEC to the Municipal Securities Disclosures on Monday, August 20th have been 17 months in the making. The two new triggering events that will require issuers to make a public disclosure within ten (10) business days of the event are:

- Any incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and

- Any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

The term “financial obligation” means:

- (i) any debt obligation (including a lease arrangement that operates as a vehicle to borrow money);

- (ii) any derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

- (iii) any guarantee of (i) or (ii).
- Note: “financial obligation” does not include the securities in which a final official statement has been provided to the Municipal Securities Rulemaking Board (MSRB)’s Electronic Municipal Market Access (EMMA) that are consistent with Rule 15c2-12. (i.e. the normal bond issuance)

The SEC’s decision to implement the triggering events and amend Rule 15c2-12 is to ensure the timely and public availability of various disclosures regarding municipal securities to the investors in municipal securities and other users of the information via EMMA.

MSRB provides information on all the continuing disclosure requirements (required and voluntary disclosures), training on the EMMA Dataport, deadlines, format requirements, and more. MSRB is working to update their information to incorporate the newest amendments to the disclosure requirements. For access to the MSRB Continuing Disclosures website, click [HERE](#).

For more information regarding continuing disclosure requirements:

- Contact your Municipal or Public Finance attorney.
- Visit MSRB/EMMA
- Visit the SEC Website:
- Municipal Securities Disclosure
- SEC Press Release – Municipal Securities Disc

WFOA Internships Yield Successes for Interns and Governments

By Sadie Armijo, Professional Development & Sustainability Chair

In 2018, the WFOA Professional Development and Sustainability Committee funded internships for seven local governments. These governments opened their doors to give WFOA interns an in-depth look into their operations. The interns worked on some important jobs and were able to better understand the finance jobs available in government. Here are a couple of their stories.

Nick has been helping out at Snohomish Fire District No. 7. He has been processing the billing for wildland fires and has just started to work on reconciling leave balances in the District’s payroll records. The District had been way behind on some of these projects, and it seems it will be able to get caught up in the next couple of months with Nick’s help. Nick is a fast learner and hard worker, and has a terrific attitude. He possesses excellent computer skills in programs such as Microsoft’s Excel, Outlook and Word. The District’s Chief Financial Officer said, “The District staff loves having his help. We are so pleased that we can provide Nick with some exposure to government finance. WFOA deserves a giant thank you for this opportunity.”

The City of Woodinville hired Jake as its intern. Jake will be a senior in the University of Washington’s Foster School of Business this fall, with an emphasis in finance and marketing. Because Jake has interest in both finance and marketing, his primary focus has been on designing a more user-friendly budget for the City. Some of the budget-related items Jake has focused are on reading the current biennial budget and providing feedback from the perspective of someone who is not a user of the budget. He has also been developing performance standards based on feedback from the finance and executive teams and information from Council meetings, strategic planning sessions, the City’s Comprehensive Plan and other sources. Jake also helped with the City’s software conversion, assisting the Accounts Receivable clerk and helping the City write the upcoming changes to the business license regulations. Jake has been a tremendous help as the City converts to a new software and rolls into budget season. The City’s Senior Accountant said, “With so much going on at the City, the Finance Department was hesitant to apply for the scholarship, because we weren’t sure we would have the necessary time to devote to an intern. After our experience with Jake, we plan on applying for the WFOA scholarship every year.”

Here is what Jake has to say about his internship:

“Hello! I’m a student at the University of Washington, majoring in Finance and Marketing and set to graduate in 2019. So many students in my position are looking for internship experience to get their feet wet before we finish up school. I’ve had a summer internship before and I spent it almost entirely at the copier machine, as I’m sure many others have. My experience as a finance Intern with the City of Woodinville has been tremendously different, with a ton more depth and enjoyment. I’ve been able to work closely with the City’s Finance Director, Blaine, and Senior Accountant, Dana, who have given me not only invaluable knowledge about the administrative and financial duties of the City, but also the opportunity to work on interesting projects with complete autonomy. I’ve enjoyed learning about the public sector and the City, and working in an environment that can be both fun and productive. I absolutely hope students can get the experience I’ve gotten here – I feel like I can walk away with new tangible skills and more personal excitement about the future.”

Thank you to all the governments that took the time to educate our interns about government job opportunities. We hope the interns will consider making government work part of their future careers. Also, if your government would like a WFOA-funded intern in 2019, we will be asking for applications in January 2019.

News from the Education Committee

Did you know that one of the largest and most POPULAR committees (shhh don't tell the other board members) is the Education Committee? The mission is to provide our members with professional education in finance, budgeting, accounting, reporting, leadership and any other topic deemed important to our profession. Also ensuring the classes remain fresh, vibrant and relevant to each and everyone of us. A tall order to fill! Yes, surprisingly it happens year after year with a large group of great volunteers.

How does the Education Committee Work?

- You sign up for it.
- You are provided a schedule of approximately 9 meetings which are done mainly via monthly conference calls.
- You pick how you would like to participate (a little or a lot)
- Suggest classes/provide feedback
- Take notes
- Coordinate non-conference classes
- Coordinate conference sessions
- Volunteer during conference

How do you sign up for it?

- Stop by the Education Committee table at the Conference
- Contact Beth Wright, Education Co-Chair and let her know you would like to join:
bwright@northbendwa.gov

Be sure to sign up for upcoming classes!

September 27 – BARS Cash in Kennewick

October 16 – BARS GAAP Basis in Spokane

November 6 – Federal Grants Requirements and Management in Bremerton

November 8 – Federal Grants Requirements and Management in Burlington

November 13 – Federal Grants Requirements and Management in Spokane

November 15 – Federal Grants Requirements and Management in Ellensburg

Is it a Liability or a Deferred Inflow of Resources?

By **STACIE TELLERS**

Legislative and Professional Standards Chair

In the June 2018 edition of the GFOA Governmental Accounting, Auditing, and Financial Reporting (GAAFR) Review there was an article discussing the difference of a liability and a deferred inflow of resources. This discussion comes from the GFOA CAFR Certificate review program and is the result of classification errors related to these two classification types and specifically related to grant revenues.

What is a liability? A liability is the present obligation of current resources that a government cannot avoid.

What is a deferred inflow of resources? A deferred inflow of resources is the acquisition of net assets that a government cannot use in the current reporting period (i.e. resources for a future period).

A liability is something the government owes whereas a deferred inflow is something that the government will receive as revenue.

The excerpt from the GFOA June 2018 GAAFR:

“Assume that a local government with a June 30 fiscal year end is awarded a \$100,000 expenditure-driven grant that is to be used for public safety expenditures by the state. The state pays the entire amount of the grant before the local government has incurred any qualifying expenditures in the current fiscal year. On its June 30 governmental fund balance sheet, the local government would report a liability (unearned revenue) of \$100,000 because it has not yet earned the revenue and would have to repay the grant if the qualifying expenditures are not incurred. Now assume that the local government incurred all the qualifying expenditures by the end of the fiscal year, but the state was not expected to pay the \$100,000 until after the local government's period of availability for revenue recognition. The local government has earned the revenue, but because of timing, it cannot recognize the grant as revenue. In this situation, the local government would report the \$100,000 as a deferred inflow of resources (unavailable revenue) on the governmental fund balance sheet. In government-wide financial statements, availability does not affect revenue recognition, so the local government would reclassify the deferred inflow of resources to revenue during the conversion process.”

In short, when the state provides grant funds at the start of the grant agreement: If the state does not specify a date in which an entity can earn the grant revenue, it is a liability. If the state specifies a date in which the entity can earn the grant revenue, it is a deferred inflow of resources.

Deferred inflows also have a counterpart, deferred outflows of resources. These financial statement elements were introduced with GASB Statement No. 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. Additional guidance was provided in GASB Statement No. 65 - Items Previously Reported as Assets and Liabilities regarding these elements. GASB continues to offer specific guidance on what items are allowed to be reported as a deferred outflow and deferred inflow (such as pension and OPEB items). Items not specifically prescribed by GASB are not allowed to be reported in these financial statement categories.

WASHINGTON REGIONAL FINANCIAL 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

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

SW 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, noon Contact: Judy Pless 509-962-7502 judy.pless@co.kittitas.wa.us