OZARKS CHAPTER

Ozarks Ledger

Advancing Government Accountability

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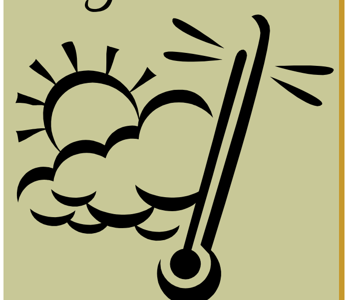
We're on the Web!

OzarksAGA.org

August 2011



Inside This Issue:

Check out our volunteer opportunity on page 5!

Message from the President

Rick Findley

Hello everyone! We had our first Chapter Executive meeting with the new members Aug 4th. We discussed several things including some dates to start off our new year. Brandie will cover those for you in the next newsletter. We are looking for two people that want to get involved and would like to serve as Early Career Chairperson or as Accountability Outreach Chairperson. I think both would be very rewarding positions and would not require huge amounts of time or effort.

I attended the PDC in Atlanta the first of July. It is quite a conference, tons of networking opportunities as well as great education seminars. Everyone should think of attending one if given the opportunity. Next year the conference will be in San Diego, Bob Wells your president elect will most likely be making that trip. Just for your information, the year after, I think it will be in Orlando (What an opportunity for whoever wants to run for the president's position, I hope we don't have too many contenders!)

We are beginning to make plans for who we would like to see as speakers at our meetings for the next year, so if you have any suggestions please let Jerry Lein or any of your executive committee members know.

I am looking forward to the meetings we wil l be having this next year and hope all of you are doing the same.

Thanks!

Rick Findley

Interested in the CGFM?

Contact Julie Vaughan, CGFM Chair, to inquire about opportunities in our area.

Certified Government Financial Manager

Chapter Executive Committee

Advancing Government Accountability.

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Check out career opportunities on page 8!

GASB to Issue New Pension Accounting Rules for Local Governments

WASHINGTON (MarketWatch) -- The accounting board for governments is set to propose changes next month that would force most U.S. states and towns to increase the amount of unfunded pension liabilities they report on their balance sheets for investors.

The proposals, being readied by the Governmental Accounting Standards Board, aim to ensure states and local governments account for the pension costs of their workforce while the employees are still on the job, GASB Chairman Robert H. Attmore said at a panel in Washington on Tuesday, providing the latest update of the board's long-debated proposal. They don't change how fast public pension plans must pay off their unfunded obligations, he said. "We want people to be transparent and disclose exactly what it is they're doing and the market will make their judgments based on that," Attmore said. "The economics don't change." He added the change would make it easier for investors to compare public pension plans across states.

Public pension plans spread the cost of paying off their unfunded pension liabilities over a long period, like a home mortgage. On average, plans distribute these costs over a 24- to 25-year period, according to National Association of State Retirement Administrators Research Director Keith Brainard, who also spoke on Tuesday's panel.

Under GASB's proposal, plans would be required to record their unfunded obligations as if they were paying them off over the remaining service life of employees in the system--a period that averages about 10 to 15 years for all public plans, Brainard said. The shortened period means that the costs reported by most states and towns on their balance sheets will increase.

GASB is also proposing to make the size of governments' pension shortfalls clearer to investors. Governments normally don't display their unfunded pension obligation as a liability on the balance sheet. Instead, they list only the shortfall in the annual required pension contribution, while the unfunded pension obligation is included in the notes to the balance sheet.

Under the proposed changes, the displayed number would be changed to the total unfunded pension liability, typically larger than the annual obligation. The GASB meets next week to consider issuing the proposals. Attmore said he expected the proposals to be issued in July, after which the GASB would open a 90-day public comment period and hold public hearings before finalizing them. He said he doesn't expect the changes to take effect for another year and a half to two years. Currently, public pension plan financial statements typically reflect the plan's funding decisions. But the proposed changes would force most plans to begin producing two sets of financial statements, Brainard predicted, because they wouldn't initially be able to pay off their obligations under the shortened period. One set of books would satisfy GASB and another would reflect the plan's funding decisions, he said.

Mark R. Zehner, deputy chief for the U.S. Securities and Exchange Commission's municipal securities and public pensions division, said he generally welcomed the proposals but said governments must disclose the differences between the two sets of statements. Two sets of books could "create a lot of possibility for mischief," he warned.

Advancing Government Accountability

AUBURN
MONTGOMERY

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CGFM

University of Auburn—Montgomery is offering online courses to prepare for the CGFM. Earn college credit as you study for the CGFM! For more information visit the website!

Helping State and Local Government Tap Generation Y Talent

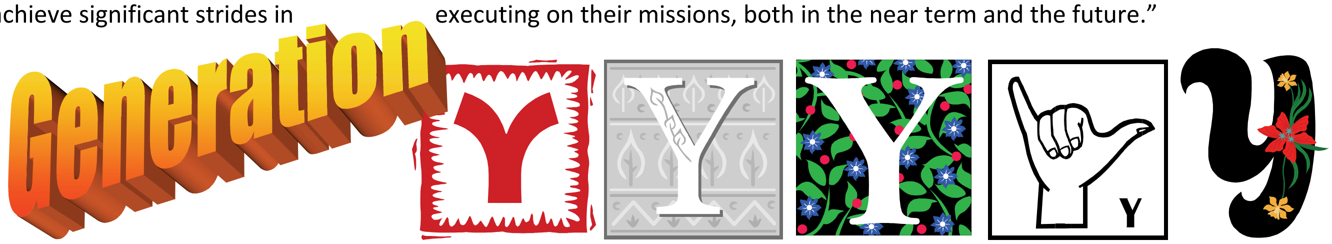
Deloitte Consulting continues their survey of young professionals in the workforce with a look at "Generation Y" employees in state government. In particular, the latest survey compares Gen Y workers in government with their private sector counterparts. The survey finds that Gen Yers are motivated by factors beyond monetary gain and that state governments have a tremendous opportunity to tap eager Gen Y talent to make government more responsive, collaborative and efficient.

To answer the question, "why are you working here?" more Generation Y workers at the state and local government level pointed to factors such as location and the opportunity for growth and development over monetary compensation, when compared to Gen Y private sector counterparts. This is a "sign of Gen Yers' well-documented sense of social responsibility. We know of many Gen Yers who want to be involved in their local communities in a way we haven't seen in several decades," the report said of government Gen Yers placing location and growth opportunities ahead of salary and benefits. When it came to job retention, all respondents placed "Increase your salary and/or bonus" as desirable. But according to the survey results, more Gen Yers chose "Provide appropriate recognition for contributions" "Offer flexible work hours" and "Promote a better work/life balance" than their private sector counterparts.

Another aspect of the survey identified what motivates Gen Yers to participate in innovative efforts or initiate new ideas. Monetary and/or other incentives associated with new ideas finished at the bottom of most Gen Yers in government. The report explained, "We believe that these results again point to Gen Yers' gravitation toward the non-monetary benefits of employment, including tuition reimbursement and training programs, as well as the perceived stability of government jobs in today's economy."

Because many Baby Boomers are delaying their planned retirement, it "presents an opportunity for state governments to pair up Gen Yers with older workers in a way that leverages the knowledge capital of the more experienced employees while tapping the energy and technology capabilities of the Gen Yers – both of which are needed to carry out technology transformation initiatives."

Deloitte's report concludes by advocating the inclusion and development of Gen Y workers now, especially during the economic downturn. "Government agencies currently have important advantages when it comes to attracting and retaining top talent – both from the commercial sector and straight out of college," and those state employers that use their advantage to strategically select existing Gen Y talent, and attract new groups of Gen Yers as they come to the job market, are "likely to achieve significant strides in executing on their missions, both in the near term and the future."



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Municipalities Suffer From Local Retail's Decline

American cities, long reliant on sales-tax revenue from retailers to support municipal budgets, are facing a harsh reckoning as the era of the shopping center as municipal cash cow appears to be at an end. Sales taxes are a critical source of funding for many cities, typically second in size only to property taxes. They accounted for roughly 23% of all U.S. state and local tax collection in 2008, the latest year available, according to the Census Bureau.

U.S. retailers are feeling the effects of a cautious consumer, pinched by the rise in gasoline and food prices, as well as by high unemployment. Consumer spending rose just 0.4% in April, the latest month for which data are available. Last week, many retail chains, including Target Corp., reported lackluster May sales. Municipal sales-tax receipts have declined in six of the past 10 years, compared with the year before, according to the National League of Cities, including drops of 6.6% in 2009 and 5% in 2010. That has city leaders from Texas to California waking up to the likelihood their sales-tax decline isn't just a result of the bad economy. Instead, it is problem that will persist after a recovery, as demand for retail complexes is whittled by online shopping and the waning popularity of the big-box store selling everything from groceries to electronics. For decades, cities have engaged in an escalating competition with their civic neighbors to encourage the building of bigger and bolder shopping palaces—often with public subsidies—to enlarge their coffers.

While some cities report sales-tax receipts are improving so far in 2011 as consumer spending comes back, it could take years for the revenue to return to pre-recession levels, and a glut of retail vacancies threatens the municipal revenue-building strategy of "build it and they will come."

The vacancy rate has reached 9.1% for malls, the most since 1990, and 10.9% for smaller, outdoor strip centers, which is expected to hit a 21-year peak this year, according to researcher Reis Inc. The mall vacancies are highest in Reis's Midwestern markets such as Oklahoma City, where they hit 25%, and Southern metro areas such as Columbia, S.C., where they were 23%. Independence, Mo., a suburb of 120,000 outside Kansas City, Mo., is confronting the decline of malls as a revenue source. Six years ago, civic leaders there envisioned a sales-tax bonanza from a shopping mall called "The Falls at Crackerneck Creek" and backed $74 million in bonds for its construction. But the center, which includes a Bass Pro Shops Inc. outdoors-gear store, remains unfinished and isn't generating the tax revenue expected to retire the bonds. Two nearby cities built competing malls that have become more successful, siphoning some of the regional customers that Independence hoped to attract. In March, Independence spent more than $3.5 million of public funds to cover the center's debt payments. Last month, city leaders proposed laying off six workers and requiring others to take unpaid furloughs in anticipation of having to pay an additional debt payment of $4 million—or 6% of the city's budget. "We had a good partner in a major national retailer," says Independence City Manager Robert Heacock. "But the development did not come together in the way we anticipated."

Retail and government-finance experts largely agree that municipalities thirsting for sales taxes played a role in America's retail glut. Cities used zoning power to encourage retail districts and financed shopping-center infrastructure such as freeway off-ramps. To win over retailers and developers, some cities agreed to share sales-tax revenue with them. While the number of Americans grew 52% from 1970 to 2010, the amount of store space jumped 126% according to real-estate research firm CoStar Group Inc., which estimates the country has 50 square feet of retail per person. Now the growth of online shopping, which has accelerated since the recession, is leading many retail chains to slow store openings and invest instead in better websites and mobile-phone applications, reducing the demand for real estate.

Retailers such as Office Depot Inc. and Best Buy Co., which declared in April that it plans to reduce its existing square footage by 10%, are renegotiating leases and shrinking on purpose in a belief that consumer spending habits will keep evolving toward smaller brick-and-mortar stores and nearly limitless online bazaars. "Our customers have spoken loud and clear: The big-box era is over for them, they value convenience and speed, and they are voting with their wallet," said Kevin Peters, North American retail president of Office Depot, which is testing stores that measure 5,000 square feet—a fraction of the retailer's typical 24,000-square-foot stores.

Some landlords are finding success converting storefronts into government facilities, and retail experts predict entrepreneurs will find other novel uses for vacant spaces. One recently turned a former Circuit City in Houston into a gun range. But such uses, while reducing blight, don't typically make up for the revenue cities lose when stores close. Despite struggling with budget problems in the recession, Tracy, Calif., leaders decided last year that the solution to keeping the city's struggling West Valley Mall alive was to pay Macy's Inc. $2.7 million to move in. "Look, the bottom line is that if you can stop sales-tax leakage to other communities, you are going to be better off, especially during times like this when your other revenue is cut thin," said Tracy Mayor Brent Ives. "We had to do something to demonstrate that the mall was going to remain viable."

CGFM is Rewarded with Raise at Missouri State Auditor's Office

The Missouri State Auditor's Office has begun offering salary increases to employees who earn the CGFM certification.

"We recognize it as being a standard that shows excellence in the profession," said John Blattel, a member of AGA's Mid-Missouri Chapter and the Director of Audits over performance audits at the Missouri State Auditor's office.

Blattel said the continuing professional education is a "big deal" at the State Auditor's office, one of the biggest state employers of auditing and accounting professionals. Employees are required to earn at least 40 CPE hours every year, but they are encouraged to do more and become certified. Employees can make an additional $150 every month if they earn one of these credentials: the CGFM, Certified Fraud Examiner (CFE), Certified Government Auditing Professional (CGAP), Certified Information Systems Auditor (CISA) or Certified Internal Auditor (CIA). These credentials are in addition to the support the State Auditor's office provides for those employees who become Certified Public Accountants (CPAs).

"We support these professional certifications because they require employees to do additional professional study, and they keep you up to date on your profession," Blattel said.

This recent development is yet another advancement for the CGFM in Missouri state government. AGA's Mid-Missouri chapter has an active CGFM Program and has been working diligently for years to gain recognition for the credential.

Vandee DeVore, CGFM, a chapter member, member of the Professional Certification Board and the national CGFM coordinator, worked with the state Division of Personnel over several years so that the CGFM would be recognized as equal to a bachelor's degree and two years of professional experience for auditors and accountants covered by the state's Uniform Classification System.

Because the Missouri state auditor is an elected official, employee pay and classifications are not covered under the same system but are determined internally. In this case, Auditor's Office officials took up the cause on their own, to the delight of Mid-Missouri Chapter members.

"It's a very nice surprise for us," said Connie Qutami, a past president of the chapter. "We're hoping that it continues. It's a positive thing that shows the growth of the program—the certification is starting to speak for itself."

The chapter also received another boost recently when members got the news that a testing center became available in Jefferson City. Previously, taking the CGFM Exams meant traveling more than two hours to St. Louis, Kansas City or Springfield.

Shawn McCauley, CGFM, the chapter's CGFM chair, said the distance has been a big obstacle. But now, "people have no excuses at all," he said because not only are the exams offered in town, but the chapter reimburses all exam fees for those who pass, AND pay increases are available for those who work in the State Auditor's Office.

Immediate Past National Treasurer Tom Sadowski, CGFM, the director of accounting with the state Office of Administration said, "As a CGFM myself and former SAO employee I am pleased the office recognizes the value of the CGFM in a tangible way. The CGFM designation acknowledges the broad-based knowledge essential to being a proficient accountability professional in today's fast-paced and constantly evolving government."

Blattel echoed Sadowski's comments. "The profession is changing so much every day that you need to be apprised of the latest changes to do the best job."

Volunteer Opportunity!

Missouri State will be holding their annual Accounting Career Day on September 19th. Ozarks AGA will be hosting a booth, but we need your help! Please contact Brandie or Teresa to sign up for a 1 hour slot to host. We need 2 volunteers per shift from 10:30 through 3:30.

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OZARKS CHAPTER OF AGA
2011-2012 Fiscal Year
7/31/2011

Revenues:	Projected Revenue	FYTD Revenue
Chapter Dues	$ 600.00	584.65
Monthly meetings	1,200.00	-
Seminars:		
Fall Seminar	2,000.00	-
Spring Membership Seminar	9,000.00	-
Other Revenues:		
Recruiting stipend from National AGA	150.00	-
Charity Fundraiser	500.00	-
Miscellaneous Revenue	-	-
Interest income	100.00	6.11
Total Revenues	**$ 13,550.00**	**$ 590.76**

Expenses:	Projected Expense	FYTD Expense
Monthly Meeting Expenses:	$ 1,200.00	-
Seminar Expenses:		
Fall Seminar	500.00	-
Spring Membership Seminar-Expenses	1,600.00	-
Spring Membership Seminar-Dues	5,300.00	-
Community Service Expense	600.00	-
Scholarships:		
Educational (Post Secondary Ed) Scholarships	2,000.00	-
CGFM (Member) scholarships	400.00	-
PDC (CEC) Travel Stipend-Not to exceed $1,000	1,500.00	-
Membership Drive Expense	200.00	-
Replenish speaker gifts	300.00	-
Miscellaneous Expense	300.00	-
Total Expenses	**$ 13,900.00**	**$ -**

Fund Balance:	Beginning	8,077.87
	Revenue	590.76
	Expended	$ -
	Ending	8,668.63

CEC Minutes August 4, 2011

12 noon –1st floor conference room - Busch Building at 840 Boonville

Attendance: Rick Findley, Teresa Allen, Brandie Cutler, Jerry Lein, Bob Wells, Julie Vaughn, Justin Hill

Secretary

A motion was made and passed to accept the May 2011 CEC meeting minutes.

Treasurer

The treasurer was not present so no treasurer's report was presented.

Communication

The deadline for articles or information to be included in the newsletter is next week. Send these items to Brandie.

Teresa is still working on our chapter website.

Community Service

No update

Early Career

This position is currently vacant.

Teresa Allen has updated the goals.

On September 19th, the Missouri Society of Accountants is holding a career day from 11–4 PM at MSU in Glass Hall, 4th floor. It was decided to have a booth for recruitment and information. A sign-up sheet for volunteers was passed around.

Education

For the September 13th meeting, Jerry will arrange for a webcast.

The Fall Seminar is set for Tuesday morning, October 11, at Coopers Tennis Complex. Suggested speakers were:

Someone from the State Auditor's office

Someone on GASB updates

Membership

No update

CGFM

There was discussion with working with local college professors to align their syllabi for their governmental courses with the requirements of the CGFM exam

Governor Nixon is pushing for recognition of the CGFM certification of Missouri government employees as well as the State of Tennessee and the federal government,

Old Business:

New accountability outreach position – new CEC position to be filled

Rick is working on our Citizen Centric Report for our chapter.

New Business:

Deb received notice from the IRS that we need to file our Form 990-N, or we might lose our tax-exempt status.

Report from PDC:

Rick expressed that the Atlanta conference was wonderful.

Annual calendar:

Rick has submitted our annual calendar.

Meeting adjourned: 12:55 PM

Early Career Chair Wanted!

First off, what does Early Careers even mean? An early career member is a "young professional"; those with 3 years or less of work experience. They receive a discounted membership rate as they get established in their career. There is no doubt that the American workforce is aging and we need to encourage young leaders to step up and lead.

The early career chair position is designed to identify early career member needs and recruit new early career members. This position will help promote the financial scholarships available through the community service chair. Participate in one college campus student fair or job fair to let them know what AGA is about and encourage them to seek the CGFM designation. Provide an "Early Career Corner" newsletter article once per quarter. Encourage early career members to participate in the Chapter.

You don't have to BE an Early Career member to hold this position; you just have to have a heart for those that will follow in the years to come. - Contact Teresa or Brandie for additional information!

NEW Accountability Outreach Chair Wanted: National AGA has a new initiative and chapter chair position beginning in the 2011-2012 chapter year. It is the Accountability Outreach Chair (AOC)…the what you ask? This position is responsible for promoting AGA's performance and accountability programs. Accountability is one of four strategic themes adopted by AGA and the AOC is crucial to the successful advancement of accountability in government.

Bottom line, what does that mean the AOC would do? First, we need to prepare a Chapter Citizen Centric Report (CCR). The CCR is a 4 page document explaining to the members (and potential non-members) who we are, our goals and challenges, pie charts showing revenue sources and expenditure types and where the chapter is headed. Now, the Ozarks chapter officers are already working on this as a group and should be done by September!!

Also, prepare a chapter accountability outreach plan such as contacting government agencies to encourage or help them to create their own CCR. There are LOTS of resources out there, you don't have to reinvent the wheel when it comes to outreach. Encourage a member or become an AGA reviewer of Citizen Centric Reports or the CEAR (Federal) or SEA (State) Efforts and Accomplishments reports.

For more information about the AOC, contract Rick Findley, at rickf@co.taney.mo.us.

What do you call an accountant without a spreadsheet? Lost!

What is the definition of a good tax accountant? Someone who has a loophole named after him.

Budget: An orderly system for living beyond your means

The Ozarks Ledger is a publication of the Ozarks Chapter of The Association of Government Accountants

Brandie Cutler, Editor

Deadline for articles: 31st of each month

Send articles to: bcutler@springfieldmo.gov

Finance Career Opportunities in the Ozarks

Missouri State University

Financial Technology Support Specialist

Buyer, Procurement Services

BKD, LLP

Multiple Positions

Click on the link to be directed to the job description!