

OHIO GFOA E-NEWS UPDATE

Government Finance Officers Association



President's Message



**Jamie
Nicholson**

On May 7th, we held a *Meet the Auditor & Treasurer/Legislative and Budget Update* session in Columbus. On behalf of the organization, I'd like to express our sincere appreciation to PNC for sponsoring and to the Ohio Bar Association for the use of their training room, which made for an outstanding session. This well-attended session provided our members with an excellent opportunity to hear from the recently-elected officials about their plans for their respective offices during this term, as well as letting our members directly asking questions of concern to these officials. I believe that we are off to a good start in our relationship with Auditor Faber and Treasurer Sprague, and I believe that this will pay dividends for the organization and our members for the years to come.

It is my hope that you are making plans to attend the 32nd Annual Conference and Membership Meeting, which is being held September 18-20 at the Easton Hilton in Columbus. If you've never attended, I would strongly encourage you to consider attending. The Conference is an excellent opportunity to attend a number of educational and professional development sessions, as well as networking with colleagues.

As President, it is a pleasure and an honor to serve the members of the Ohio GFOA. I look

forward to meeting many of you at the Conference in September.

Sincerely,
Jamie Nicholson, MBA, CPFIM

STAR Ohio Investments Maximize Returns for Ohio's Local Governments

By: Robert Sprague, Ohio Treasurer of State



It's safe to say, as public officials, our goal is to build our communities on a sound financial footing. Since becoming Ohio's Treasurer in January, I've made it my office's mission to be responsible stewards of taxpayer dollars and wise investors in Ohio's future. One way we do that is through our program offerings for local governments.

The State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment fund that allows government subdivisions—from municipalities to school districts—to invest in high-grade, short-term securities, while offering safety, penalty-free liquidity and comparatively higher yields. Since the program was launched more than 30 years ago, it's grown tremendously and currently serves more than 2,500 participant accounts across Ohio.

The Treasury serves as the investment advisor and administrator of STAR Ohio, managing the investment and re-investment of the fund's assets. STAR Ohio invests in high-grade financial instruments authorized by the State of Ohio in order to meet these objectives for the local government: preservation of capital, maintenance of liquidity, and provision of current income. Since 1995, the fund has maintained Standard & Poor's highest rating of AAAM, proving that investments are safe and secure.

STAR Ohio offers many benefits to local governments. Pooling investments through STAR Ohio provides a powerful resource for government subdivisions, enabling all participants to have equal buying power and the ability to receive the same rate of return on their investment. The increased earning power of a sizable pool results in higher average yields when compared to conventional investment vehicles. Through the STAR Ohio website, participants can view accurate information regarding current balances, month-to-date income and current yields, as well as current and historical account statements. Deposits, transfers and withdrawals can be made daily.

More information can be found on our website: www.ohiotreasurer.gov/starohio. If you are interested in opening a STAR Ohio account or if you have any other questions, please don't hesitate to call my office at (614) 466-2160.

My door is always open, and I'm always looking for new ideas on how to best serve Ohioans. As Treasurer, the financial health of Ohio's local governments is very important to me. Thank you for your efforts to ensure our communities remain on solid fiscal footing.

Local Government Audit Support Fund

By: Keith Faber, Ohio Auditor of State



Our mission at the Auditor's office is to make Ohio's government more efficient, effective, and transparent. We can only achieve these goals by fostering good relationships with Ohio's local governments. When state and local government work together, we can create a better overall product for Ohio taxpayers. When I stepped into office six months ago, one of the first priorities I identified was easing the financial load that our audit costs can put on local governments. While it is our statutory duty to ensure the appropriate spending of taxpayer

dollars through our audits, our routine audits ideally should not be a burden, but instead a service to both local governments and taxpayers.

It's important to note that, the costs of financial audits for local governments are subsidized by the state. This makes audits by the state significantly less expensive than those performed by the private sector. However, just prior to assuming office, I learned that the fund we use to subsidize these audits had a structural imbalance of \$6,000,000.

This structural imbalance had been building over a number of years, because rates had not been raised to cover the growing costs to conduct financial audits. We currently have a local audit rate of \$41 an hour, a rate that has not increased since 2011. This rate structure and level of spending was only possible in recent years by drawing down balances in the fund used to subsidize local audits. It became clear that this practice would not be sustainable through the upcoming biennium.

Our financial reality was crystal clear. The current way of doing business was no longer tenable. The simple fix to the existing fund imbalances would have been to raise audit rates by at least \$10 an hour on local governments. My goal for this budget submission was to remedy our financial issues without raising rates on local governments, who already carry a heavy financial burden. Faced with having to raise audit costs and place an additional financial burden on local governments. I recommended the Ohio General Assembly approve a new \$10 million Local Government Audit Support Fund in the new biennial budget. The new Local Government Audit Support Fund would subsidize audits through a dedicated stream of general purpose tax dollars. The creation of such a fund would generate relief for some local governments and enable my office to avoid raising audit costs.

Beyond helping address our inherited structural imbalance, the Local Government Audit Support Fund is a mechanism to bring about greater transparency. It makes clear the role of state resources in offsetting audit costs charged to local governments in addition to helping avoid a spike in audit charges, and in some cases possibly beginning to provide audit expense relief.

Regular financial audits are essential. They give governments a clear picture of a year's worth of finance and provide a foundation from which governments can make financial decisions as they look into the future. As Auditor, it's my goal to provide this service to Ohio's local governments at a reasonable cost.

I'm pleased to announce that the General Assembly included the Local Government Audit Support fund in the budget, which was signed by Governor DeWine on July 17. As Auditor, supporting local governments will be a top priority. When the Auditor's office partners with local government officials, we are able to achieve the ultimate goal - a more effective, efficient, transparent Ohio.

Are You Ready For This? GASB 84

More Changes to Governmental Financial Statements

Courtesy of Rea & Associates, Inc.



Whether you prepare your financial statements using the cash basis or GAAP (generally accepted account principals) basis, the Government Accounting Standards Board (GASB) Statement No. 84 *Fiduciary Activities* will most likely impact you. GASB 84 is geared to improve guidance for state and local governments regarding the identification and reporting of fiduciary activities for accounting and financial reporting purposes as well as when liabilities to beneficiaries must be disclosed.

GASB 84 covers three types of activities: fiduciary component units, pension and other post-employment benefits (OPEB) arrangements that are not component units and other fiduciary activities such as pension trust funds, investment trust funds, private-purpose funds and custodial funds. The new requirements go into effect for reporting periods beginning after Dec. 31, 2018. It is important to understand these changes now as governments begin to implement them to classify their fiduciary activities.

There are several different facets of GASB 84, some of which will impact Ohio governmental entities more than others. Areas such as fiduciary component units, investment trust funds, or pension and OPEBs in which the reporting government maintains control of the assets will likely not pertain to many Ohio government entities. However, it is still a good idea to familiarize yourself with all of the reporting requirements.

[Read more...](#)



**32nd ANNUAL CONFERENCE
&
MEMBERSHIP MEETING**

September 18-20, 2019

Hilton Columbus at Easton
3900 Chagrin Drive, Columbus, OH 43219

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[Register Now!](#)

Take Advantage of all CPIM has to Offer

By: Ohio Treasurer, Robert Sprague



Sound fiscal policies are foundational for effective government, and hardworking taxpayers across Ohio deserve nothing less. As financial officials, we're entrusted with the responsibility of managing and protecting taxpayer dollars. That's why the mission of the Treasurer's office is to be trusted stewards of public funds.

Whether you're a seasoned finance official or just stepping into the role, there's always something more to learn. When I was treasurer of Findlay, I first encountered the world of public finance. Learning from others was crucial to my success in that role, and I want to make sure my office is a valuable resource for our public officials. After all, Ohio's overall economic health depends on the fiscal strength of our local governments.

Ohio law requires public finance officials to receive continuing education in the investment and management of public funds.

[Read more...](#)

What Ohio GFOA's Membership Does For You
Renew Your Membership Today!

LEARN about emerging trends & best practices at Ohio GFOA events and through social media.

MEMBERSHIP RENEWAL

NETWORK AND GATHER NEW IDEAS from finance professionals across the state at the Annual Conference and Membership Meeting and throughout the year at various seminar offerings. You will come away with new ideas, tips, and useful contacts.

BUILD RELATIONSHIPS at the September Annual Conference and Membership Meeting - one of the best conferences offered each year.

ONLINE MEMBER REQUESTS - Participate and receive Member Requests, an online service to facilitate quick and helpful communication and interaction between members on matters of member interest. For example, if you need information regarding policy issues, you can use this service to seek input from your fellow Ohio GFOA members.

ACCREDITATION PARTNERSHIPS - Ohio GFOA is a sponsor of the Accountancy Board of Ohio and partners with the Ohio Treasurer of State's Center for Public Investment Management (CPIM), Auditor of State's Fiscal Integrity Act (FIA), and the Ohio Society of CPAs, to provide you with all of the required and necessary accreditation.

RECEIVE DISCOUNTS to Ohio GFOA conferences, webinars and advanced training.

SCHOLARSHIP OPPORTUNITIES - take advantage of the many scholarships available to members.

Go to www.ohgfoa.com to renew today!

2019 Corporate Sponsors

Year after year, Ohio GFOA successfully partners with leading companies and vendors to provide the benefits our members expect from us: high-quality educational training that is geared to the needs and interests of our members, and social events that give an opportunity to develop a large network of professional and personal contacts in the industry. Thank you to our 2019 sponsors: [View the Ohio GFOA Corporate Sponsors](#)

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Mission Statement

"Shared Knowledge for Effective Government"

is The Government Finance Officers Association's Mission Statement. By Promoting the Exchange of Information Among Finance Officers of all Local Governments, Ohio GFOA works to Meet the Challenges of the Ever-Evolving Profession of Government Finance and Fosters Increase Cooperation Among Governments and Private Financial Institutions.

