

**2016 Government Finance Officers Association (GFOA) Conference –Toronto, Ontario, Canada  
May 22-25, 2016  
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Conference Summary Report**

I would like to express my appreciation to the Board for their approval to attend the GFOA conference held in Toronto this year. This was my first opportunity to attend this conference which was a great learning experience. This conference is a very large and popular conference; so much that it was held at a large venue at the International Convention Center.

I took advantage of attending as many of the pension, accounting, and GASB sessions they offered this year. I wish I could have been in two places at once because they held a lot of wonderful classes that I will be able to implement into work such as the GASB guidance on Pensions and OPEB class. There was talk about practical issues that has risen in connection with the implementation of GASB's most recent pronouncements on accounting and financial reporting for pensions and pension plans. This class talked about the difference between what an accounting valuation and a funding valuation is. Accounting valuation is driven by GASB 67/68 and measures pension liability as of the measurement date. Funding valuation is driven by the Plan's board and or State law and assumes the plan will be fully fund by a certain date. Assumptions for accounting purposes should be reviewed on an annual basis and all relevant information such as the plans financial statements should be considered. Actuarial assumptions should be reviewed on an annual basis and management's evaluation and considerations of actuarial assumptions should be documented each year for the auditors. GASB 72 is another statement that will be implemented this year and addresses accounting and financial reporting issues related to fair value measurements. This statement will provide guidance for applying fair value to certain investments and disclosures to all fair value measurements. There are three different hierarchy levels to measure fair value. Level 1 are quotes prices, level 2 are observable inputs and level 3 which are unobservable such as management's assumption of the default rate among mortgages of a mortgage-backed security. This statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation technique. It will also require disclosures to provide information to users about the impact of fair value measurements on government's financial position. GASB 74 & 75 will be implemented next year and impact postemployment benefits other than pensions such as our DC Disability plan. These statements establish new accounting and financial reporting requirements that are similar to GASB 67/68.

Preparing the financial statements was another class I took which gave a number of practical steps accountants can perform to minimize the stress and hassle to make fiscal year end a little easier. This session focused on practical approaches for facilitating the year-end close, preparing the agencies annual financial report and getting ready for the independent audit. Some of these steps were to record year end transactions throughout the year (monthly/quarterly) such as your capital assets instead of performing them at year end, addressing significant estimates earlier, communicate with all parties' timely, review accounting policies and procedures timely. Creating the CAFR and using resources such as GASB, GFOA and AICPA for model financial statements, using the financial statement preparation checklist, and verifying GFOA certification

program comments. Making the CAFR available on the web but using bookmarks and making it linkable from the table of contents is a take-away I am hoping to use at MPERA. The required sections of the CAFR are introductory section, financial, statistical, and compliance section is optional. The introductory section requires transmittal letter, organizational diagram & principal officials. The financial sections should have auditors report, MD&A, basic F/S, notes, RSI, and supplemental info. The statistical section offers financial trends, revenue capacity, debt capacity, demographic and economic info, and operating information section. This class was a great class that goes through what is necessary in our CAFR and what we need to ensure goes in there for this year including the new implementation of GASB 72 which is the investments note disclosures.

Fraud was also talked about and gaining and understanding about fraud. The class went through some interesting statistics that on average a typical organization loses 5% of its revenue to fraud annually, the median loss caused by the occupational fraud case in a study took was \$150,000. Frauds reported lasted a median of 18 months before being detected, and asset misappropriation is the most common fraud category occurring in 83% of the cases causing a median loss of \$125,000. Perpetrators with higher levels of authority tend to cause much larger losses and corruption was more prevalent in larger organizations with skimming, payroll, and cash schemes becoming the common fraud. Most occupational fraudsters were first-time offenders. This course also reviewed the responsibilities of preventing and detecting fraud and the most common fraud types, red flags and how to prevent/detect fraud. This class discussed the importance of fraud risk assessments and how to begin this process and to start thinking about risks that may apply in our agency.

There were a lot of take-a-ways from this conference plus I was able to down load the courses for the rest of the staff to read the class slides. Thank you again for the opportunity to go to this conference. I hope that we can continue to go GFOA conference in the future as it was a great learning experience for me.