On Friday, January 14, NASACT participated in a roundtable held by the Municipal Securities Rulemaking Board. The MSRB Roundtable is held annually to give muni market participants a forum to discuss issues of mutual interest.

NASACT was represented at the roundtable by President Nancy Kopp, state treasurer of Maryland, as well as Kinney Poynter, executive director, and Cornelia Chebinou, Washington office director. The following topics were discussed:

- Faster financial reporting.
- Securities and Exchange Commission field hearings and proposals.
- The Dodd-Frank financial reform legislation.
- Public pensions, tax reform, municipal bonds and debt issuance.

NASACT gave a report detailing the association’s views and activities on these topics. Of particular note, NASACT discussed faster financial reporting and a proposal from the SEC on municipal advisors.

**Faster Financial Reporting**

NASACT remains concerned about the myriad of calls for faster and more comprehensive financial reporting. Everyone seems to want it “faster, cheaper and better.” Despite these concerns, NASACT believes that investors must have adequate and timely financial information upon which to base their investment decisions.

NASACT is currently examining how improvements can be made to year-end reporting and has established a Faster Financial Reporting Work Group to examine the issue and to make recommendations on how to improve the timeliness. Ideas such as changing fiscal year ends of either the state or its component units, passing legislation to require faster CAFRs, using estimates to a much greater degree, interim auditing, and re-examining materiality levels are receiving close scrutiny.

While states are still struggling with faster completion of their CAFRs (average completion for FY 2009 was 206 days after

(article continued, next page)
NASACT Travel Assistance Program Extended to Include 2011 NASC and NSAA Annual Conferences

In order to encourage attendance at the 2011 annual conferences of the National Association of State Comptrollers and the National State Auditors Association, the NASACT Executive Committee recently extended its travel assistance program.

Each state comptroller and state auditor will be eligible to receive a reimbursement of up to $750 to go towards registration or travel-related costs to attend the 2011 NASC Annual Conference or the 2011 NSAA Annual Conference.

The travel assistance funds may be used by the state comptroller and state auditor, or his/her designee. Reimbursements will be processed immediately following each conference.

To download the reimbursement form for the NASC conference, visit www.nasact.org/conferences_training/events.cfm. An NSAA reimbursement form will be made available online in the near future.

The NASACT travel assistance program will also provide a reimbursement of up to $1,000 for each state auditor, state comptroller, state treasurer or his/her designee to attend the 2011 NASACT Annual Conference.

Please call (859) 276-1147 with any questions about the travel assistance program and the NASC, NSAA or NASACT annual conferences.

Travel Assistance Program Overview

NASC Annual Conference

Each state comptroller or designee receives up to $750 to cover registration or travel-related costs to attend the 2011 NASC Annual Conference, March 23-25, Phoenix, Arizona.

NSAA Annual Conference

Each state auditor or designee receives up to $750 to cover registration or travel-related costs to attend the 2011 NSAA Annual Conference, June 14-17, Williamsburg, Virginia.

NSAA will also provide additional financial assistance to each new state auditor through its scholarship program.

NASACT Annual Conference

Each state auditor, comptroller and treasurer, or designee, receives up to $1,000 to cover registration or travel-related costs to attend the 2011 NASACT Annual Conference, August 13-17, Burlington, Vermont.

Additionally, each new state auditor, comptroller and treasurer will receive a free registration ($600 value) to the 2011 NASACT Annual Conference.

MSRB Roundtable Recap (continued from previous page)

fiscal year-end; FY 2008 was 204 days; FY 2007 was 205 days), it is clear that improvements can be made and that faster CAFRs are possible. For example, 26 states completed the FY 2010 in 168 days on average. Even more impressive is Utah, which completed its FY 2010 CAFR on November 18, 2010 (141 days after year-end), and its single audit on December 21, 2010 (approximately 101 days ahead of the federal deadline).

In addition to timelier year-end reporting, NASACT supports the creation of an investor section on state websites where periodic, interim financial information could be housed. A template for interim information could be developed to provide information on a monthly or quarterly basis. NASACT would like to consult with other relevant groups to finalize a template that could be widely adopted.

SEC Municipal Advisor Proposal

On December 20, the SEC issued a proposed registration rule regarding municipal advisors. Under the proposed rule, municipal advisors would have to submit more detailed information than is currently required and certify that they have met or will meet the qualifications and regulatory obligations required of them. Additionally, individuals who fall under the definition of municipal advisor will be required to pay a registration fee. The proposed rule supersedes a temporary rule on registration adopted by the SEC in September.

Several muni market groups, including NASACT, are concerned that the reach of the rule could be too broad and actually drive away some volunteer board members. The main concern is not with the requirement for additional information, rather the concern is the apparent expanded reach in defining a “municipal advisor.” There is also concern about the definition of municipal employees, as that group is exempt from the registration requirements. Many municipal groups believe more clarity is necessary.

The concern stems from a paragraph in the proposal that attempts to distinguish employees from volunteers, particularly those individuals that are elected and appointed members of a governing board.

Some muni market groups feel that this provision could make it difficult to find volunteers to serve on governing boards of issuers and that the move is an overreach. The proposal is clearly making a distinction between elected and appointed members of a board. Parties wishing to provide comments on the proposal can find the proposal as well as submission instructions at www.sec.gov/rules/proposed/2010/34-63576.pdf. Comments should be submitted by February 22.
NASC to Meet in Phoenix in March

The National Association of State Comptrollers will hold its thirtieth annual conference in Phoenix, Arizona, on March 23-25, 2011. The conference will feature topics such as:

- 1099 reporting.
- Three percent withholding implementation.
- Treasury offset program.
- Transparency.
- Faster financial reporting.
- Pension and budget challenges.
- Internal controls.
- Updates from the National Association of State Budget Officers, the Governmental Accounting Standards Board and the U.S. Treasury’s Financial Management Service.
- Implementing GASB Statement 54.
- Three roundtable sessions: one each day on March 23, 24 and 25, focusing on a number of different topics.

The conference will be held at the Embassy Suites Phoenix-Scottsdale. The room rate is $140 for single or double (plus taxes). Please visit www.nasact.org to find more information about the conference hotel, registration and tentative program. Questions about the program may be directed to Kim O’Ryan (koryan@nasact.org); questions about the hotel may be addressed to Donna Maloy (dmaloy@nasact.org). Kim and Donna may also be reached at (859) 276-1147.

NASC 2011 Schedule of Events

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Call for NASC Resolutions

Resolutions for consideration at the NASC annual conference should be sent to Resolutions Committee Chair Paul Christofferson (MT) at pachristofferson@mt.gov or Kim O’Ryan at koryan@nasact.org. Please send resolutions by Monday, March 7.

Call for NASC Roundtable Topics

NASC will hold three roundtable sessions at the conference, one each day on March 23, 24 and 25. Suggested topics for discussion at the roundtable sessions should be emailed to Kim O’Ryan at koryan@nasact.org by Monday, March 7.

NASACT Offers New Mini-Benchmark on Accounts Payable

As a new class of governors takes office, states continue to search for much needed savings. One area that is consistently ripe for savings is accounts payable. Do you know where to find cost savings and optimize cash flow in accounts payable?

NASACT is pleased to announce a new offering through its Benchmarking Program: the Accounts Payable Mini-Benchmark Study. This study aims to find out how top-performing organizations are leveraging best practices to reduce costs, better manage working capital, and increase process efficiency. For example, did you know that top accounts payable performers process invoices at one-third the cost of their peers, with 60 percent fewer staff processing four times more invoices per FTE? Participants in this study will:

- Gain insights into the characteristics of top-performing accounts payable organizations.
- Pinpoint the cost drivers in accounts payable and identify potential savings.
- Know how, and how well, your organization leverages proven best practices.
- Build the business case for improving your accounts payable performance.

Accounts Payable Mini-Benchmark Study participants will receive a custom presentation and report that compares individual results to top performers and other participants and an exclusive invitation to a webcast that will discuss key findings from the study results.

The study will be conducted by The Hackett Group, NASACT’s Benchmarking Program service provider. For details on participating in the Accounts Payable Mini-Benchmark Study, email Kim O’Ryan at koryan@nasact.org or call (859) 276-1147.
New at www.nasact.org

- Observations of the October 25-28, 2010, meeting of the Governmental Accounting Standards Board have been posted at www.nasact.org/nasact/positions/GASB.cfm.

Middle Management Conference Scholarships Available Through NSAA

The National State Auditors Association is currently accepting scholarship applications for attendance at the 2011 Middle Management Conference scheduled for April 13-15, 2011, in Portland, Oregon. Applications are due by Monday, February 28. For additional information about NSAA’s scholarship opportunities, email Sherri Rowland at srowland@nasact.org.

NSAA Accepting Award Submissions, Seeks Judges

NSAA is now accepting submissions for the 2011 Excellence in Accountability Awards. Awards will be given in three categories: performance audits (large – 2,000 audit hours or more), performance audits (small – less than 2,000 audit hours), and special projects. Submissions are due by 5:00 p.m. Eastern time on Friday, February 25. Award winners will be recognized at the NSAA annual conference in June in Williamsburg, Virginia.

NSAA also seeks volunteers to help in the judging process for the awards. Judges can be NSAA principals or their designees. For information, email Sherri Rowland at srowland@nasact.org.

NASACT Seeks Input on GASB ED

On November 24, the Governmental Accounting Standards Board issued an exposure draft on Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. (see page 7). NASACT will be preparing an association position on this ED. Please send your comments for inclusion to Kim O’Ryan (koryan@nasact.org) or Sherri Rowland (srowland@nasact.org) no later than Friday, February 4, 2011.

NSAA Seeks Input on AICPA SAS

The American Institute of Certified Public Accountants’ Auditing Standards Board has released for comment an exposure draft of a proposed statement on auditing standards entitled Alert as to the Intended Use of the Auditor’s Written Communication. This proposed SAS would supersede SAS No. 87, Restricting the Use of an Auditor’s Report. This proposed SAS has been issued using the ASB’s clarity drafting conventions. The proposed SAS does include changes from existing standards (see page 5 of the exposure draft). One important revision for state auditors to note is that it has a change in practice for auditors citing GAGAS in their audits.

The proposed SAS can be found on the AICPA’s website at www.aicpa.org/Research/ExposureDrafts/AccountingandAuditing/Pages/ExposureDrafts_ASB.aspx. Through the Audit Standards and Reporting Committee, NSAA will be responding to this ED. Please send your comments for inclusion in NSAA’s letter to Sherri Rowland at srowland@nasact.org by Friday, April 1.

Mark Your Calendar: Upcoming Information Sharing Calls

To get information about joining a NASC group, contact Kim O’Ryan at koryan@nasact.org. To join the other groups, contact Glenda Johnson at gjohnson@nasact.org. Summaries of past calls and resources from these groups can be found at www.nasact.org (you must log into the site to view the information).

February 2011
- NASC Multi-State Consortium on Internal Control – February 3
- NASC State Government Payroll – February 9
- NASC Travel and Purchase Card – February 16
- NASC Statement 54 Work Group – February 16
- NASC Transparency – February 22
- NASACT Faster Financial Reporting Work Group – February 24

March 2011
- NASC Committee on Accounting, Reporting and Auditing – March 8
- NASC Federal Tax Reporting Work Group – March 8

April 2011
- NSAA Human Resources – April 28
News From Washington

GAO Issues Report on GASB Funding and Role in Municipal Market

In mid-January, the U.S. Government Accountability Office provided a briefing to Congress in response to the Dodd-Frank Wall Street Reform and Consumer Protection Act. Through the act, the GAO was directed to study the role and importance of the Governmental Accounting Standards Board in the municipal securities markets as well as the manner and level at which GASB has been funded.

In conducting this study, the GAO was to consult with the principal organizations representing state governors, legislators, local elected officials, and state and local finance officers. Specifically, the study addresses the following questions:

- What are key stakeholder views on the role and relevance of GASB in the municipal securities markets?
- What is the manner and the level at which GASB has been funded?

Publicly traded companies are required by the U.S. Securities and Exchange Commission to prepare and issue financial statements based on generally accepted accounting principles; however, municipal issuers are not subject to this requirement. State requirements regarding the use of GAAP by local governments vary, but institutional investors and rating agencies generally agreed that most municipal issuers use GAAP.

Stakeholders viewed GAAP-basis financial statements as highly useful for assessing the quality of municipal securities. Several analysts, issuers, and other stakeholders stated that GAAP-basis financial statements are comprehensive. Analysts generally agreed that, while GAAP-basis financial statements are important, they are not the only source of information they use to assess the quality of municipal securities, nor does the use of GAAP necessarily equate to a high-quality security. Several stakeholders believed that GAAP-basis financial statements are associated with lower borrowing costs, although others stated that it is difficult to attribute lower costs to the use of GAAP alone. Stakeholders stated that GAAP-basis financial statements are complex and expensive to prepare, particularly for small, infrequent issuers. Stakeholders generally agreed that governments are not always timely in issuing audited financial statements, making them less useful to analysts and other users, although a few stakeholders maintained that other publicly available information compensates for the lack of timeliness.

The Dodd-Frank Wall Street Reform and Consumer Protection Act granted the SEC authority to require a registered national securities association to establish (1) a reasonable annual support fee to adequately fund GASB, and (2) rules and procedures to provide for the equitable assessment and collection of the support fee from the members of the national securities association. As of January 25, the SEC has not acted on this authority.

View the report at www.gao.gov/products/GAO-11-267R.

FMS Sends Letter Urging Participation in Offset Initiative

The U.S. Treasury’s Financial Management Service recently sent a letter to all state comptrollers announcing a new initiative to help identify state debts owed and payments that will be offset.

The letter, directed specifically to the state comptroller community, said that each state must contact the FMS to become enrolled in the initiative. After enrollment, the FMS will provide the state with a monthly report of the outstanding delinquent debts that are owed by the state through Treasury’s Offset Program. Additionally, the FMS will provide the referring creditor agency’s point-of-contact information. FMS also indicated that it will be notifying federal creditor agencies of this program.

While not a perfect solution to the offset problems states have been facing, the hope is that the debt list and agency contact information provided by the FMS will help expedite the resolution of any unusual issues and will also assist state comptrollers with account reconciliations.

If your state is interested in this program but has not received an informational letter, please contact Cornelia Chebinou in NASACT’s Washington Office at cchebinou@nasact.org.

State and Local Governments Await 3% Withholding Regulations

Although final regulations to implementing the three percent withholding provision of the Tax Increase Prevention and Reconciliation Act were on the 2010 annual agenda for the U.S. Treasury, 2011 has arrived and the final regulations have still not been made available. Concern is mounting as state and local governments have been forced to begin planning for implementation based on a set of proposed regulations.

Efforts to repeal the three percent withholding requirement will continue. On January 26, two bills were introduced in the Senate to repeal the three percent withholding requirement. NASACT is hopeful that a repeal bill will be introduced in the House very soon. At that time, NASACT will reach out to members to request that they contact their congressional delegations to co-sponsor the legislation. The Government Withholding Relief Coalition (www.withholdingrelief.org), of which NASACT is a member, will be working to garner support from members of both sides of the aisle to move the legislation forward.

Information about the regulations will be shared as soon as it is available. Questions may be directed to NASACT’s Washington office at (202) 624-5451.
New Congress Explores State Financial Outlook

By Neal Hutchko, Policy Analyst

The 112th Congress began in January with Republicans controlling the majority in the House for the first time in years. The change was accompanied by efforts from the majority leadership and committee chairmen to question the way state governments operate and control their financial operations. Blackstone Advisory Group’s Byron Wien recently predicted that in 2011, a major state (unidentified) will fail to pay interest on a municipal bond issue because of a lack of funds. Paul Ryan (WI-R), new chairman of the Budget Committee, commented, “We are not interested in a bailout... Should taxpayers in frugal states be bailing out taxpayers in profligate states?... No, that’s a moral hazard we are not interested in creating.”

Earlier this month, the Senate Budget Committee also posed several state finance related questions to Federal Reserve Chairman Ben Bernanke. Sen. John Cornyn (TX-R) indicated that he is exploring ways to address the state financial crisis, including amendments to bankruptcy laws. Sen. Joe Manchin (WV-D) said that 20 to 30 states could be in serious trouble.

Mr. Bernanke responded that the municipal market is working well despite the unsubstantiated fears of state government “failures” and “bankruptcies,” words that have been tossed about too freely of late. He told the committee that “investors are still reasonably confident there won’t be any defaults among major borrowers.” He issued a history lesson as well, stating “It would be extraordinarily unusual for a state to default. It hasn’t really happened seriously for 160 years or so. I think we ought to focus on states meeting their obligations, which they do have the tools to do.”

The Senate Budget Committee hearing can be viewed at http://budget.senate.gov/democratic/hearingstate.html.

Plan Now to Attend NASACT2011!

Join NASACT President Nancy Kopp and our Vermont hosts for the 2011 NASACT Annual Conference in Burlington, Vermont this August 13-17. The NASACT Training and Professional Development Committee will begin developing the technical program soon. Watch for the conference topics survey to provide your input!

Conference Hotel – Hilton Burlington

The Hilton Burlington is located on the shores of Lake Champlain in the heart of downtown with easy access to recreation, arts, history, shopping and entertainment. The negotiated rate for this year’s conference is $158/night plus applicable taxes. This offer is guaranteed until the cut-off date of July 21, 2011. To book, call (802) 658-6500 and reference the NASACT Annual Conference.

Don’t Forget the Travel Assistance Program!

NASACT principals (or their designees) are eligible to receive $1,000 in travel assistance to attend the annual conference. The funds may be used to cover registration or travel costs. Additionally, all new NASACT principals will be offered complimentary registration to attend ($600 value).

Visit www.nasact.org/conferences_training/events.cfm for more information!
as previewed in the November issue of NASACT News, the Governmental Accounting Standards Board issued three final statements in December:

- Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements.

For more information on these final statements, including how to order them, please visit www.gasb.org.

In addition, the GASB issued an exposure draft, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The deadline for comment on that proposal is February 25, 2011. (NOTE: NASACT is preparing an association position on this ED. Comments for inclusion should be emailed to Kim O’Ryan at koryan@nasact.org by February 4.)

Finally, the GASB is expected to approve the issuance of another exposure draft, Derivative Instruments: Application of Hedge Accounting Termination Provisions, which is scheduled for posting on the GASB website on January 28. The comment deadline for that proposal is March 30, 2011.

GASB exposure drafts may be downloaded free at www.gasb.org on the Documents for Public Comment page under the Projects tab.

Chairman Adds Two Projects to Technical Plan for First-Third of 2011

GASB Chairman Robert Atmore has added projects to the GASB’s current technical agenda that address government combinations, and deferred inflows of resources and deferred outflows of resources. The chairman considered the views of the other Board members and input from the members of the Governmental Accounting Standards Advisory Council before adding these projects to the agenda.

Government Combinations

The project on government combinations and spin-offs was moved from the GASB’s research agenda to its current agenda. The project will consider the financial reporting requirements for government combinations that occur when one government annexes another, when there is a consolidation of governments or of governmental functions, when an acquisition takes place, when shared services agreements between governments exist, and in certain other circumstances. The analysis will encompass general governmental combinations including, for example, city/county consolidations and consolidated school districts, as well as business-type activities, which could involve public utilities or healthcare organizations. The project also will consider spin-off issues, like accounting for a library district that was once a department in a primary government.

Though government combinations are an increasingly popular means of reducing both duplication in the provision of services and in the associated costs, there is significant uncertainty regarding how they should be accounted for and reported. While most states have statutes addressing general purpose government and school district combinations, fewer have guidance addressing business-type activities. Also, the current authoritative literature does not address the accounting and financial reporting for the combination of assets and liabilities.

Considering these factors, the need for specific guidance is becoming increasingly necessary. Establishing authoritative guidance for government combinations and spin-offs would help reduce uncertainty in this area while increasing consistency and comparability across the governmental environment.

The Board anticipates the issuance of an ED by mid-2012.

Deferred Inflows and Outflows of Resources

The addition of the deferred inflows of resources and deferred outflows of resources omnibus project—a narrow-scope practice issue—to the current agenda arose from the fact that governments report assets and liabilities in their statements of financial position (such as the statement of net assets) that appear to meet the definitions of deferred inflows of resources and deferred outflows of resources as they appear in Concepts Statement No. 4, Elements of Financial Statements.

Because that concepts statement specifies that recognition of deferred inflows and deferred outflows should be limited to those instances identified in GASB authoritative pronouncements, a pronouncement is needed to determine which, if any, of these balances—possibly, for example, deferred charges and deferred revenues—should be reported as deferred outflows or deferred inflows rather than as assets or liabilities. If it is determined that certain balances should be reported as deferred outflows or deferred inflows, then reclassification guidance for those balances would be necessary.

Currently, only Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, requires the recognition of deferred inflows of resources and deferred outflows of resources in certain cases. Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, which was issued in December but is not yet effective, also will require the recognition of deferred inflows of resources in specific situations. The Board’s current project addressing pension accounting and financial reporting also may incorporate requirements for reporting deferred inflows and deferred outflows.

A net position project, Financial Reporting of Deferred Outflows and Deferred Inflows of Resources and Net Position, is currently underway that will provide statement presentation guidance for these elements; however, it would only apply to...
balances that have been specifically identified thus far in the standards as deferred inflows or deferred outflows.

These factors demonstrate the growing need for a project addressing balances that appear to meet the definition of deferred inflows of resources and deferred outflows of resources but are not specifically identified as such throughout the GASB's authoritative literature. Accounting and financial reporting issues expected to be considered include not only the determination of whether balances currently recognized as assets or liabilities should be reclassified as deferred outflows or deferred inflows, but also the potential impact of these reclassifications on the determination of major funds.

The Board anticipates the issuance of an ED in summer 2011.

Recent Board Activity

The GASB met on December 7–9, and via teleconference on November 17 and December 29.

Comprehensive Implementation Guide

The Board reviewed and provided comments on the ballot draft of a new mid-year supplement to the 2010–2011 Comprehensive Implementation Guide before unanimously clearing it for issuance. Many of the proposed changes, additions, and deletions to questions and answers for the supplement relate to the implementation of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments.

Economic Condition Reporting—Fiscal Sustainability

Continuing its deliberations of potential specific measures necessary from a conceptual standpoint for users to assess types of forward-looking information, the Board examined three final broad categories agreed upon at a previous meeting: effects of fiscal interdependencies between governmental entities, potential effects of the underlying environment within which a governmental entity operates, and ability and willingness of a governmental entity to make decisions that will keep it fiscally sound.

The Board tentatively agreed that only a narrative discussion of the major intergovernmental service interdependencies is a specific measure necessary from a conceptual standpoint for users to make an assessment of the effects of fiscal interdependencies between governmental entities.

Board members supported further exploration of the specific measure of the percentage of major outflows of resources that are mandatory rather than discretionary. The Board requested feedback from the task force on how to define and measure the notion of government mandates.

Pension Accounting and Financial Reporting

At the November teleconference meeting, after further consideration of the definitions of notes and required supplementary information in Concepts Statement No. 3, Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements, the Board reconsidered and revised a previous tentative decision related to the reporting of information about the net pension liability of the employer(s) in the financial reports of single-employer and cost-sharing multiple-employer defined benefit pension plans.

Previously, the Board tentatively had decided to require that those plans present as required supplementary information 10-year schedules of information about the net pension liabilities of the employer(s) and changes in those liabilities. The Board revised its earlier tentative decision by tentatively agreeing to also require that information about the employer(s) current-period net pension liability be disclosed in the notes to the plan’s financial statements.

The disclosure tentatively would require presentation of the total pension liability of the employer(s), the amount of plan net assets held in trust for pension benefits, the net pension liability of the employer(s), and the ratio of plan net assets held in trust for pension benefits to the total pension liability of the employer(s). Consequently, information about assumptions used in the calculation of the current-period net pension liability of the employer(s) will be required to be presented in notes to the plan financial statements.

In December, the Board began redeliberations of issues addressed in the preliminary views, Pension Accounting and Financial Reporting by Employers, relating to the recognition and measurement of a sole or agent employer’s obligation for pension benefits. The Board’s redeliberations took into consideration comments and testimony received in response to the preliminary views.

The Board tentatively reaffirmed its decision that accounting and financial reporting by sole and agent employers for defined pension benefits should be separate from the process of funding those benefits. The Board also tentatively agreed that its previous tentative decision to require a sole or agent employer to present a 10-year schedule that includes information on actuarially determined employer contributions and actual contributions is responsive to many of the concerns expressed by some of the respondents regarding a loss of funding information.

Next, the Board tentatively reaffirmed that for accounting and financial reporting purposes, an employer has an obligation to its employees for pension benefits by virtue of the employment exchange between the employer and employees of salaries and benefits for employee services, and this obligation is not satisfied until the defined pension benefits have been paid to the employees or their beneficiaries when due. In the Board’s view, an employer remains primarily responsible for the portion of its benefit obligation to employees in excess of the plan net assets available for pension benefits and secondarily responsible to the extent that plan net assets have been accumulated.

In addition, the Board noted that this reaffirmation should be considered in the context of the following related tentative decisions: (1) an employer should disclose changes in the total pension liability, plan net assets held in trust for pension benefits, and the net pension liability and (2) the liability of the pension plan in regard to benefits should be limited to benefits that currently are due and payable. The Board also tentatively decided to clarify its intent with regard to usage of the terms primary responsibility and secondary responsibility, and variants of those terms, through the drafting process.

With respect to the net pension liability of a sole or agent employer, the Board tentatively reaffirmed its view that the net pension liability meets the definition of a liability in Concepts Statement 4, and it is measurable with sufficient reliability for recognition. The Board also tentatively agreed that any excess of plan net assets over the total pension liability should be reported

(article continued, next page)
as an asset and that unpaid contributions pursuant to contractual or statutory provisions should be reported as a liability in addition to the net pension liability.

The Board tentatively reaffirmed its decision that the projection of benefit payments should include the following future changes to the extent discussed: (a) automatic cost-of-living adjustments (COLAs), (b) projected future ad hoc COLAs to the extent that they are considered to be substantively automatic, (c) projected future salary increases in circumstances in which the pension benefit formula is based on future compensation levels, and (d) projected future service credits, both in determining an employee’s probable eligibility for benefits and in the projection of benefit payments in circumstances in which the pension benefit formula is based on years of service.

With regard to the criteria used to establish whether ad hoc COLAs are not substantively different from automatic COLAs, the Board tentatively agreed that no specific criteria should be included in the exposure draft on this issue. Instead, the Board tentatively agreed that certain examples of possible considerations in making a judgment regarding the substance of the ad hoc COLAs should be included. The Board also tentatively agreed that its tentative decisions regarding automatic and ad hoc COLAs should be applied to all other types of retroactive benefit changes for purposes of projecting pension benefit payments for accounting and financial reporting purposes.

In addressing the discount rate used for accounting and financial reporting purposes, the Board tentatively reaffirmed that it should be a single rate that produces a present value of total projected benefit payments equivalent to that obtained by discounting projected benefit payments using (1) the long-term expected rate of return on plan investments to the extent that current and expected future plan net assets available for pension benefits are projected to be sufficient to make benefit payments and (2) a high-quality municipal bond index rate for those payments that are projected to be made beyond the point at which plan net assets available for pension benefits are projected to be depleted.

With respect to the high-quality municipal bond index rate, the Board tentatively agreed that it should be a tax-exempt rate based on a 30-year AA or higher bond index rate as of the employer’s year-end.

Finally, the Board tentatively reaffirmed that:

- The present value of projected benefit payments for an employee should be attributed to that employee’s expected periods of service as a level percentage of payroll using the method described in the current standards as the entry age actuarial cost method.
- The plan net assets held in trust for the pension benefits component of the employer’s pension liability should be measured in the same way that it is measured in the statement of plan net assets, including measurement of investments at fair value.

At the December teleconference, the Board considered a paper summarizing the results of project staff outreach related to the relative significance of actuarial assumptions used in the measurement of defined pension benefits. After reviewing the feedback received from members of the actuarial community with whom the project staff consulted on this issue, the Board considered whether to establish specific guidance in the exposure draft related to the selection of assumptions for accounting and financial reporting purposes. The Board tentatively decided to include in the exposure draft a requirement that the selection of all actuarial assumptions be made in accordance with actuarial standards of practice.

The Board also discussed accounting for two types of insurance arrangements within the context of defined benefit pension arrangements. The Board first discussed contracts with an insurance company under which the related payments to the insurer are currently used to purchase immediate or deferred annuities for individual members—also referred to as allocated insurance contracts. The Board tentatively agreed that allocated insurance contracts, including those with features that give the plan a right to receive future dividends from the insurer, should be excluded from plan assets and that the employer’s total pension liability should exclude benefit payments to be provided through such contracts if (1) the contract irrevocably transfers to the insurer the responsibility for providing the benefits and (2) all required payment(s) to acquire the contracts have been made and the likelihood is remote that the employer or plan will be required to make future payments to satisfy the benefit payments covered by the contract. The Board also tentatively agreed to continue the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, with regard to defined benefit plan accounting for allocated insurance contracts.

In addition, the board tentatively decided that employers and defined benefit pension plans should be required to disclose certain information about allocated insurance contracts that are excluded from plan assets and about benefits that are excluded from the employer’s total liability.

Finally, the Board considered accounting and financial reporting issues related to an employer that provides defined pension benefits by means of a financing arrangement whereby it accumulates funds with an insurance company, while employees are in active service, in return for which the insurance company unconditionally undertakes a legal obligation to pay the pension benefits of those employees or their beneficiaries, as defined in the employer’s plan. These arrangements are referred to in Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as insured plans. The Board tentatively decided that if the probability is remote that the employer will be obligated to transfer additional assets to the insurer in the future to support the payment of the benefit obligation, then an employer that provides defined pension benefits through such an arrangement should:

- Exclude from its total pension liability benefits to be provided through the insured plan.
- Recognize pension expense equal to the contributions or premiums required in accordance with their agreements with the insurance company for such benefits.
- Disclose certain additional related information in the notes to its financial statements.
NASACT Welcomes New State Officials Taking Office in January

Alabama

Young J. Boozer, III, won election in November 2010 to serve as state treasurer of Alabama. Mr. Boozer was previously the state’s deputy director of finance. He is president of the Young Boozer Family Foundation. He has an M.B.A. in finance from the University of Pennsylvania’s Wharton School of Business and a B.A. in economics from Stanford University.

Arizona

Doug Ducey was elected to his first term as Arizona’s state treasurer on November 2, 2010. Mr. Ducey came to Arizona in 1982 to attend Arizona State University where he graduated with his bachelor of science in finance. Upon graduation, he joined Procter & Gamble and began a career in sales and marketing. There he was trained in management, preparing him for his role as partner and CEO of Cold Stone Creamery. When he and his business partner sold the company in 2007, Cold Stone had grown from a local scoop shop to more than over 1,400 locations in all 50 states and 10 countries. Mr. Ducey then committed to an entrepreneurial pursuit in Scottsdale where he became the lead investor and chairman of the board for iMemories.

Honors include the 2002 Spirit of Enterprise Award by the Center for the Advancement of Small Business at Arizona State University, and induction into the W.P Carey School of Business Hall of Fame in 2004. Mr. Ducey is also the past president for the Arizona Chapter of Young Entrepreneur’s Organization and past President of the Greater Phoenix Economic Club.

(Design continued, next page)

Gene Dodaro Sworn in as Comptroller General

On December 30, Gene L. Dodaro was sworn in as the eighth comptroller general of the United States and head of the U.S. Government Accountability Office.

“It is a great honor and a privilege to lead GAO. I thank the Congress and the President for their bipartisan support,” Dodaro said. “As comptroller general, I plan to build on GAO’s proud tradition as a steadfast, non-partisan, professional watchdog for the American people; a trusted advisor to Congress; and a leading advocate for more efficient and effective management across government. Looking ahead, the decisions facing policymakers will, in many cases, be difficult ones crucial to our nation’s security and prosperity. As in the past, GAO will be there to provide Congress with high-quality, objective, and timely information.”

Mr. Dodaro was chosen by President Obama from a list of candidates proposed by a ten-member bipartisan, bicameral congressional commission; the Senate confirmed his nomination on December 22, 2010.

The comptroller general is appointed to a 15-year term. A career civil servant, Mr. Dodaro previously held a number of key executive posts at GAO. He has served as acting comptroller general since 2008.

NASACT Lifetime Member Ralph Campbell Dies at Age 64

Ralph Campbell, Jr., former state auditor of North Carolina, died on Tuesday, January 11, 2011, from complications of lung cancer. Mr. Campbell was a lifetime member of NASACT, having received NASACT’s President’s Award in 2002.

Mr. Campbell was the first African-American in North Carolina to be elected to a statewide constitutional office. He served as the state auditor for three consecutive terms beginning in 1992 and was elected as the president of the National State Auditors Association. He was a recipient of the NSAA William R. Snodgrass Distinguished Leadership Award in 2005.

A Raleigh native, Mr. Campbell graduated from J. W. Ligon High School and St. Augustine’s College, where he served on the board of trustees and received an honorary doctor of humane letters in 1990. He was a member of numerous organizations including the Masons, Shriners and the Omega Psi Phi Fraternity, where he was named Omega Man of the Year in 1984. Active in many community groups, he was the treasurer of the NC Black Elected Municipal Officials and the NC Black Leadership Caucus, as well as on the board of the Wake United Way and Boy Scouts of America.

Mr. Campbell began his political career on the Raleigh City Council in 1985, where he served until his election as state auditor. He also was selected as mayor pro-tem. In 1992, Mr. Campbell made history with his election as state auditor. During his tenure, he was invited to join the Harvard Policy Group Network Enabled Services and Government because of his leadership in information technology and government issues. After he left public office, he founded Ralph Campbell & Associates, a firm providing auditing and consulting services.
Arkansas

Charlie Daniels is Arkansas’ thirty-ninth auditor of state. Mr. Daniels won his first statewide political race in 1984 when he was elected by popular vote as commissioner of state lands. After serving there for 18 years, he ran for and was elected secretary of state, where he served from 2003-2011.

Mr. Daniels first began his political career on the Parker’s Chapel School Board. He relocated to central Arkansas when then-Governor David Pryor appointed him director of the Arkansas Department of Labor. He was re-appointed to that position by Bill Clinton during his first term as governor.

Over the course of his career Mr. Daniels has been active in several professional public service organizations.

Mr. Daniels served in the United States Air Force and the Air Force Reserves. He attended both South Arkansas University and the University of Arkansas at Little Rock. In 1996 he received an honorary doctorate in humane letters from Shorter College in North Little Rock.

Colorado

Walker Stapleton won election in November 2010 to serve as state treasurer of Colorado. He graduated from Williams College in Massachusetts, and he holds a graduate degree in business economics from the London School of Economics and an M.B.A. from Harvard Business School.

Treasurer Stapleton has served as CEO, CFO, and CIO of various private and publicly-traded companies during the course of his business career. Treasurer Stapleton serves on the board of the Denver Public Library Friends Foundation and is on the Leadership Council of J.K. Mullen High School.

Connecticut

Kevin Lembo was elected as Connecticut’s state comptroller in 2010 following decades of experience in government, finance and healthcare. Most recently, Comptroller Lembo served two terms as the state’s first healthcare advocate beginning in 2004.

Mr. Lembo previously served as assistant comptroller where he helped manage state finances and healthcare for state employees, retirees, municipalities, non-profits and small businesses. He also fought to increase the state’s Rainy Day Fund to protect Connecticut taxpayers during difficult economic times.

Comptroller Lembo continues to serve as a clinical instructor at the Yale School of Nursing and holds a master of public administration from California State University. He is a 2004 Toll Fellow of the Council of State Governments and has been honored for his leadership by the New York State Public Health Association, the Leukemia & Lymphoma Society, the Chiropractic Association, Psychological Association, Radiological Society, and CT Association of Optometrists. The Connecticut Psychiatric Society named Comptroller Lembo “Citizen of the Year” for his work to improve mental healthcare access.

Robert Ward and John Geragosian are the two new state auditors in Connecticut. Previously, Mr. Ward was the longest-serving Republican leader in the Connecticut House and served 22 years in the chamber beginning in 1985. After deciding not to run for re-election in 2006, he was named by Gov. M. Jodi Rell as commissioner of the Department of Motor Vehicles. Mr. Geragosian was elected to the House in November 1994. He was chairman of the Appropriations Committee for two years. He also worked to change the state’s property tax system, leading a task force to create alternative tax policy to benefit urban centers.

Delaware

Chipman “Chip” Flowers, Jr., was sworn in as Delaware’s state treasurer in January 2011.

After majoring in economics with dual minors in international relations and psychology at the University of Pennsylvania, Mr. Flowers headed to Georgetown University, where he earned both a law degree and a master’s in business administration, focusing on corporate strategy and mergers and acquisitions. While attending Georgetown, he worked at the A. Philip Randolph Institute (the nation’s oldest African-American labor association), the Congressional Joint Economic Committee and the White House Office of Political Affairs under President Bill Clinton.

After completing his work at the White House, Mr. Flowers worked as a mergers and acquisitions attorney at the Wilmington office of Skadden, Arps, Slate, Meagher & Flom, LLP, and served as chairman of the Multicultural Judges & Lawyers Section of the Delaware State Bar Association. In 2004, he was chosen as a Delaware delegate to the Democratic National Convention.

He then studied at the John F. Kennedy School of Government at Harvard University, earning a master’s in public administration. While at Harvard, he earned the prestigious Don K. Price Award—the highest award given in the program.

In 2006, he founded the Flowers Counsel Group, LLC, which specializes in mergers and acquisitions and procurement law, advising businesses on contractual agreements for major purchases.

Florida

Jeff Atwater was elected to serve as Florida’s chief financial officer on November 2, 2010. CFO Atwater’s commitment to public service first began in 1993 when he served as vice mayor of North Palm Beach.

In 2000, he began his legislative service as a member of the Florida House of Representatives. Two years later, he ran for...
and was elected to the Florida Senate where he continued to serve the people of Broward and Palm Beach Counties. After chairing high profile Senate committees, CFO Atwater gained the unanimous support of his fellow senators in becoming Senate president and led the Senate from 2008 through 2010.

CFO Atwater received his bachelor’s degree in finance and master’s of business administration from the University of Florida.

Hawaii

Bruce A. Coppa was appointed by Gov. Neil Abercrombie to serve as director of Hawaii’s Department of Accounting and General Services. Mr. Coppa recently launched a boutique management-consulting firm, Coppa Consulting, Inc., that specializes in business development, strategy and general management. Prior to that, Mr. Coppa served as the chief operating officer of Communications Pacific, and as executive director of Pacific Resource Partnership. Mr. Coppa has over 25 years of professional experience in operations and management in Hawaii’s construction industry. Mr. Coppa received his master’s degree in business administration global management and bachelor’s degree in business management from the University of Phoenix.

Illinois

Dan Rutherford was elected in November 2010 to serve as state treasurer of Illinois. Previously, he was first elected to the Illinois Senate in 2002. In 2009, he was appointed assistant Republican leader. His Senate career followed a ten-year term in the House of Representatives, where he also served as the assistant Republican leader. Mr. Rutherford is a graduate of Illinois State University with a bachelor’s degree in business administration.

Judy Baar Topinka was elected to serve as state comptroller of Illinois. She served as state treasurer of Illinois between 1994 through 2006. She has served as both a representative and a senator in the Illinois Legislature. She has also served as chair of the Illinois Republican Party.

Ms. Topinka has a bachelor of science degree in journalism from Northwestern University. She is active in various local and national organizations.

Kansas

Ron Estes was sworn in on January 10 as the thirty-ninth state treasurer of the state of Kansas.

Mr. Estes is the first statewide elected official from the city of Wichita in 20 years. He was originally elected Sedgwick County treasurer in 2004 and was re-elected to that position in 2008. During his time in office, Mr. Estes has saved taxpayers money by returning $1.5 million to the Sedgwick County general fund.

Prior to his election as Sedgwick County treasurer, Mr. Estes worked in several different industries in consulting and management roles. These industries include aerospace, oil and gas, automotive, and several other manufacturing and service industries. He has successfully implemented a variety of different financial and other computer systems that have improved efficiency. He also analyzed and improved business processes utilizing concepts to eliminate errors and streamline procedures. He has extensive experience in improving customer service and focusing on operation improvement and cost cutting.

Mr. Estes holds a bachelor’s degree in civil engineering and a master’s degree in business administration, both from Tennessee Technological University.

Maine

Bruce L. Poliquin was sworn in as state treasurer of Maine on January 7. He is a third generation Waterville, Maine native.

Mr. Poliquin has been a private sector business owner and manager during the past 35 years. He started his career in the financial services industry in 1976 at the Harris Trust and Savings Bank in Chicago, working in the employee benefits area. Two years later, he joined Evaluation Associates, Inc. in Westport, a nationally recognized pension fund consulting firm. In 1981, Mr. Poliquin became a principal of Avatar Investors Associates Corporation in New York, an independent investment management firm. When he left Avatar Associates in 1996, the company managed nearly $5 billion of pension, endowment, and foundation assets.

Mr. Poliquin studied economics at Harvard University, graduating in 1976.

Massachusetts

Suzanne M. Bump was sworn in as the twenty-fifth state auditor of Massachusetts on January 19.

Prior to her election as state auditor, Ms. Bump was appointed in 2007 by Gov. Deval Patrick and served for three years as secretary of the Executive Office of Labor and Workforce Development.

Auditor Bump was previously a member of the state’s House of Representatives, serving for eight years on the Commerce and Labor Committee, including two as chairman. She served as counsel to companies large and small and has also held positions on the boards of several non-profit organizations.

Auditor Bump has been honored by numerous organizations over the years, including awards bestowed in 2009 by Boston Archdiocese’s Labor Guild, the Women’s Bar Association and the Massachusetts Association of Women Lawyers.

Auditor Bump earned an A.B. in English from Boston College and a J.D. from Suffolk University Law School.

News From Around the Nation (continued from previous page)
Minnesota

Steve Grossman was elected in 2010 as Massachusetts’ state treasurer. Mr. Grossman has spent the last 35 years creating jobs, managing money, dealing with crises, and finding commonsense solutions to problems as CEO of Grossman Marketing Group in Somerville, a 100-year-old, fourth-generation family business.

He is a leading figure in numerous charitable organizations. He serves as a trustee of Project Bread, an advisory board member of the Women’s Lunch Place, and chairs the advisory board of Cambridge College. He was a founding board member of the Massachusetts Institute for a New Commonwealth, a former campaign chair of Combined Jewish Philanthropies, and a founding board member of the Lenny Zakim Fund. He has been chairman of both the Massachusetts and national Democratic parties. Mr. Grossman established a track record as a reformer.

Mr. Grossman is a graduate of Princeton University and Harvard Business School.

Michigan

Andy Dillon is Michigan’s forty-fourth state treasurer after being named as one of Gov. Rick Snyder’s first appointments.

Mr. Dillon has served three terms in the Michigan House of Representatives, and was elected by his colleagues to serve as speaker of the house during his final two terms.

Prior to achieving elected office, Mr. Dillon served as the managing director of Wynnchurch Capital, vice president of GE Capital, and worked as a financial analyst at WR Grace. In addition, Mr. Dillon practiced law for seven years after graduating with his law and accounting degrees from the University of Notre Dame, and worked as an administrative assistant to U.S. Senator Bill Bradley.

In the legislature, Speaker Dillon was a leading proponent of energy reform that included expanding Michigan’s renewable energy sector, which helped to create thousands of green-collar jobs. During his first term, he was one of the chief architects of the 21st Century Jobs Fund, which was created to diversify Michigan’s economy and make the state a magnet for the good-paying jobs of the future.

Minnesota

Jim Schowalter was appointed commissioner of Minnesota Management and Budget by Gov. Mark Dayton on January 3, 2011.

Most recently Mr. Schowalter served as deputy commissioner of MMB, and brings a wealth of government and financial experience to the position. Over his 16 years in Minnesota state government he has earned a reputation as a respected, non-partisan voice on budget issues.

Previously, he served as assistant commissioner and state budget director. After assuming that position in 2004, he led the budget process for the state of Minnesota for six years. He served on the board of the National Association of State Budget Officers and frequently testified before the state Legislature. He has also served as executive budget coordinator for health and human services and local government, as well as executive budget officer.

He received a master’s degree in public policy from the Kennedy School of Government at Harvard University and a bachelor’s degree with a major in economics from Macalester College.

Missouri

Thomas A. Schweich was elected in November 2010 to serve as Missouri’s state auditor. He is a graduate of Yale and Harvard Law School.

While this is his first opportunity to serve as an elected official, Mr. Schweich has a distinguished history of public service. In 1999 and 2000, he was chief of staff for the Danforth Special Counsel investigation into the conduct of the U.S. government in connection with the 1993 siege of the Branch Davidian compound at Waco, Texas. He served as chief of staff to three U.S. ambassadors to the United Nations. He has also served as principal deputy assistant secretary of state and acting assistant secretary of state at the Bureau for International Narcotics and Law Enforcement Affairs in the State Department.

He is the author of three books and has written numerous opinion pieces on foreign policy, politics and the economy.

Nebraska

Don Stenberg was elected in November 2010 as state treasurer of Nebraska.

After graduating from Harvard Law School and Harvard Business School, he practiced law in Lincoln, Nebraska until, in 1979, he was named as legal counsel to the governor of Nebraska. He has also served as director of the governor’s Policy Research Office, assistant to the governor and director of the Department of Administrative Services of the state of Nebraska.

As Nebraska’s attorney general from 1991 to 2003, Mr. Stenberg led the fight for tough anti-crime legislation to protect Nebraska families. He effectively and efficiently operated Nebraska’s Attorney General’s Office on the third smallest budget in the United States.

Ohio

Timothy S. Keen became director of Ohio’s Office of Budget and Management on January 10. This is the second time he has held this position.

From 2007 through 2010, director Keen was senior policy advisor to Auditor of State Mary Taylor, following his previous
service with OBM as assistant director and then as director with the administration of Gov. Bob Taft from 1999 through 2006. Earlier he was deputy director of policy development at OBM, including serving as president of the State Controlling Board. His career in public service, beginning in 1986 as a budget analyst with the Ohio Legislative Budget Office, also includes senior budget policy positions with both houses of the Ohio General Assembly.

Mr. Keen received an undergraduate degree in communications from the University of Massachusetts at Amherst and holds a master’s degree in public policy from the Eagleton Institute of Politics at Rutgers University.

Josh Mandel was sworn in as Ohio’s forty-eighth state treasurer on January 10. Treasurer Mandel is a Marine Corps veteran who served two tours in Iraq and served as state representative from the 17th Ohio House District. He was first elected as a state representative in 2006. In 2008 he was re-elected to a second term.

During his four years in the General Assembly, Treasurer Mandel devoted a great deal of energy towards the issues of fiscal discipline, improving the state’s business climate and reversing the exodus of young people from Ohio. Due to his leadership on these and other issues, Treasurer Mandel was named legislative “Rookie of the Year” by the non-partisan Columbus Monthly Magazine and “Watchdog of the Treasury” by the United Conservatives of Ohio.

Treasurer Mandel’s previous elected experience includes service as a Lyndhurst city councilman in 2003.

Treasurer Mandel holds a bachelor’s degree from The Ohio State University, a law degree from Case Western Reserve University, and completed the Investment Decisions & Behavioral Finance program at Harvard University.

Dave Yost became Ohio’s thirty-second auditor of state on January 10.

A graduate of The Ohio State University, with a degree in journalism, Auditor Yost began his career as a young reporter with the former Columbus Citizen-Journal. He then served in senior positions with the administrations of Columbus Mayor Buck Rinehart and Ohio Gov. George Voinovich.

After earning his degree in law at Capital University Law School in 1991, Auditor Yost became an attorney in private practice, a small business where he learned what it means to have capital risk and make a payroll.

In 1999, the voters of Delaware County elected Auditor Yost to the Office of County Auditor.

Becoming Delaware County’s prosecuting attorney in 2003, Auditor Yost continued his distinguished career in public service in that office through 2010, winning acclaim for his vigorous prosecution of political corruption.

Oklahoma

Gary Jones was elected in November 2010 as Oklahoma’s state auditor. As a certified public accountant and certified fraud examiner, Mr. Jones understands the important contributions the state auditor can make in identifying inefficiencies in government entities and in offering recommendations and solutions to provide a better product for taxpayers.

After a decade with Southwestern Bell, Mr. Jones embraced his entrepreneurial spirit and started a telecommunications company that expanded from one part-time assistant to more than 40 employees with locations in Oklahoma and Texas. After 16 years in operation, he sold his company in order to pursue other ventures.

Mr. Jones ran for Comanche County commissioner in 1994. During his four-year term, his district built a record-setting 34 new steel and concrete bridges and worked with others to help bring 1,000 new jobs to Comanche County. Mr. Jones was elected Oklahoma Republican Party chairman in 2003 and is distinguished as the longest serving chairman and executive director in the storied history of the state party. He resigned his position in 2010 to make a successful run for state auditor.

He earned a bachelor of business administration and accounting degree from Cameron University in Lawton.

Ken Miller is the eighteenth state treasurer of Oklahoma, serving since January 10, 2011. Previously, Mr. Miller served for six years in the Oklahoma House of Representatives where he led the Appropriations and Budget Committee and guided Oklahoma through the largest state spending cuts in state history while maintaining the delivery of core government services.

Mr. Miller holds a doctorate in political economics from the University of Oklahoma. He earned a master’s of business administration from Pepperdine University and a bachelor’s degree in economics and finance from Lipscomb University.

Mr. Miller is an economics professor at Oklahoma Christian University. Prior to his election to the state legislature, he served in the administration of Gov. Frank Keating as chairman of the Legislative Compensation Board where he established a ten-year freeze on legislative salaries.

Prior to his public service, Mr. Miller gained practical experience in the private sector. He began his professional career in banking at First American National Bank before joining MediFax-EDS, where he served as financial operations manager.

(article continued, next page)
Rhode Island

Gina M. Raimondo was elected in November 2010 as general treasurer of Rhode Island.

Prior to being elected general treasurer, Ms. Raimondo worked for a decade as co-founder and general partner of Point Judith Capital, Rhode Island’s only venture capital firm. She has also served as the senior vice president of fund development at Village Ventures, where she managed a team that established 12 venture capital funds nationwide. A firm believer in innovation, Ms. Raimondo was involved in dozens of successful start-up companies.

Ms. Raimondo serves as vice chair of the board of directors of Crossroads Rhode Island, the state’s largest homeless services organization, where she played a key role in launching a new shelter for women. She is also a trustee at Women and Infants Hospital and Chair of its Quality Committee. She has previously served on the boards of LaSalle Academy and Family Service of Rhode Island.

South Carolina

Curtis M. Loftis, Jr. was elected in November 2010 to serve as the state treasurer of South Carolina. He is a native of Lexington County and a graduate of University of South Carolina. He is a business owner, and the founder and benefactor of The Saluda Charitable Foundation.

Mr. Loftis is an avid outdoorsman. He enjoys spending time hiking, fly fishing, rock climbing, hunting, and clearing his land. His love of travel has taken him all over the world and led him to establish his philanthropic organization to help people in less developed countries.

South Dakota

Steve Barnett was elected in November 2010 as state auditor of South Dakota.

He is a graduate of the University of South Dakota. Upon completing his degree, he returned to Aberdeen to work for the South Dakota Republican Party in 2002 as coalitions director. After working for the state GOP, he moved to Sioux Falls to work for Wells Fargo. He also served as a substitute teacher for the Sioux Falls School District.

In April of 2004, Mr. Barnett relocated back to Aberdeen to work for the South Dakota Republican Party as the northeast field director. After the 2004 election, he was asked to serve as a constituent services representative in Senator Thune’s Aberdeen District office. Mr. Barnett is currently completing his master of business administration degree at the University of Sioux Falls.

Rich Sattgast, previously South Dakota’s state auditor since 2002, was elected in November to serve as the state treasurer.

Mr. Sattgast has served 25 years in both the active and reserve armed forces. His military career includes service with the Occupation Force in Berlin in the 1980s and Desert Storm in the 1990s.

Mr. Sattgast earned a B.S. in political science and business administration.

Vermont

Beth Pearce was appointed as Vermont’s state treasurer in January 2011. The appointment, by Gov. Peter Shumlin, followed the resignation of Treasurer Jeb Spaulding who was appointed secretary of administration.

Treasurer Pearce has more than 30 years of experience in government finance at both the state and local levels. She served as Vermont’s deputy treasurer for more than seven years before assuming her current role as treasurer.

Prior to joining the Vermont State Treasurer’s Office, she served as deputy treasurer for cash management at the Massachusetts State Treasurer’s Office from 1999-2003; deputy comptroller for the town of Greenburgh, New York; and as the accounting manager and financial operations manager for the town of West Hartford, Connecticut.

Ms. Pierce has a B.A. from the University of New Hampshire. She has prepared financial reports that have received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.

Wisconsin

Kurt Schuller was elected as Wisconsin’s state treasurer in November 2010. He is a former restaurant owner and manager. He earned an associate’s degree in management and communications from Concordia University.

Wyoming

Cynthia Cloud was elected in November 2010 to serve as Wyoming’s twentieth state auditor. She is the first CPA to be elected to the office.

Ms. Cloud’s career includes over 16 years in public accounting and as a successful business owner. She graduated magna cum laude from the University of Alabama in 1991 with a B.S. in accounting.

Ms. Cloud is an active supporter of her community. She is a Park County Leadership Institute graduate, a Paul Harris Fellow of Rotary International, and past-board member of the Park County Republican Women.

NASACT 2011 Directory Update

The 2011 NASACT Directory will be published in mid-February. If you have not yet provided updated contact information and a color photo for the directory, please send that information to Glenda Johnson at gjohnson@nasact.org no later than Friday, February 4.
### Calendar of Events

Register for these events at www.nasact.org.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
<th>Location</th>
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<tbody>
<tr>
<td>2011</td>
<td>NASACT Executive Committee Meeting, Phoenix, AZ</td>
<td>March 22</td>
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<tr>
<td>2011</td>
<td>NASC Annual Conference, Phoenix, AZ</td>
<td>March 23-25</td>
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<td>2011</td>
<td>Middle Management Conference, Portland, OR</td>
<td>April 13-15</td>
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<td>2011</td>
<td>Tennessee Government Auditor Training Seminar, Nashville, TN</td>
<td>April 25-26</td>
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<td>April 28-29</td>
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<td>2011</td>
<td>Tennessee Government Auditor Training Seminar, Chattanooga, TN</td>
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<td>Tennessee Government Auditor Training Seminar, Morristown, TN</td>
<td>May 9-10</td>
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<tr>
<td>2011</td>
<td>NSACT Annual Conference, Williamsburg, VA</td>
<td>June 14-17</td>
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<tr>
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<td>NASACT Annual Conference, Burlington, VT</td>
<td>August 13-17</td>
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<td>August 14</td>
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<tr>
<td>2011</td>
<td>NSAAT Workshop &amp; Conference, Denver, CO</td>
<td>September 27-30</td>
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<td>NASACT IT Workshop &amp; Conference, Williamsburg, VA</td>
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### Plan to Attend the 2011 NASACT Middle Management Conference

**April 13-15, 2011 • Portland, Oregon**

By Donna Maloy, Conference Manager

The 2011 NASACT Middle Management Conference is scheduled for April 13-15, 2011, in Portland Oregon. This conference features sessions tailored to address training needs of middle management staff in the offices of state auditors and state comptrollers, including staff specializing in the areas of audit and finance. Additionally, the conference will include sessions designed for training directors.

The planning committees, consisting of the NSAA Auditor Training Committee, chaired by Glen Fowler (CA) and the NASC Middle Management Committee, co-chaired by Kim Wallin (NV) and John Radford (OR), have begun working on the conference program. Topics to be covered include:

- Fiscal outlook in the states and Recovery Act issues.
- Standards updates and emerging issues (transparency, GASB 54, 3% withholding)
- Use of social media
- The leadership imperative
- Roundtable sessions on training issues, performance audit, and finance
- “Reading the tea leaves” – predicting a project’s future from its past
- Writing effective reports

The conference will be held at the Hotel Monaco, which is located in the heart of downtown and just one block from shopping, restaurants and entertainment venues. A special negotiated rate of $113/night has been offered.

A draft technical program agenda can be found on NASACT’s website at www.nasact.org/conferences_training/events.cfm. Complete hotel information along with online registration is also available on NASACT’s website.

Don’t miss out – register today. Questions regarding the 2011 NASACT Middle Management Conference can be addressed to Donna Maloy at dmaloy@nasact.org or (859) 276-1147.