

**September 25, 2007**

**Advisory Committee on Financial Management, Accounting and Reporting**

The Advisory Committee met on September 25, 2007. Members in attendance: Barb Anderson, Susan Paulson, Darin Jensen, Nancy Ramler, Michelle Knutson, Jodie Zesbaugh, Elaine DeWenter, Jaber Alsiddiqui and Dan Brooks. Others in Attendance: Darwin Viker MDE Staff: Tom Melcher, Colleen Leemon, Janna Duffy, Ken Moos, Debrah Firkus, John Koehler and Mary Weigel.

Barb Anderson opened the meeting at 12:10 p.m. The committee members reviewed the agenda. One item was added to the agenda, Federal Special Education Tuition. Barb made a motion to approve the revised agenda seconded by Jodie Zesbaugh. Unanimous approval by the committee.

The committee reviewed the May 9, 2007 meeting minutes. Nancy Ramler made a motion to approve the May 9, 2007 minutes seconded by Susan Paulson. Unanimous approval by the committee.

Darwin Viker chair of the GASB 45 Sub-Committee provided information on the work completed by the Sub-Committee. Two draft handouts were distributed: UFARS Account Number Changes for GASB 45 and Section 4 – GASB Statement 45.

The committee discussed the draft copy of UFARS Account Number Changes for GASB 45. The UFARS Object Code dimension has two new codes 252 – Other Post Employment Benefits (Contributions to OPEB Trust) and 291 – Other Post Employment Benefits (Pay-As-You-Go). The UFARS Source Code dimension has two new codes 614 – Contributions to Post Employment Benefits Trust (Fund 45) and 616 – Retiree Share of Post Employment Benefits (Fund 45). The UFARS Program Code dimension has one new code 935 – Post Employment Benefits (Fund 45).

The committee walked through the draft copy of Section 4 – GASB Statement 45 documents, recommending the following changes in the document. Page 3, Paragraph 2, and indented summary – deleted. Page 5, noted that designee status not recognized in UFARS, districts may want to use local code to identify designee status. Page 8 & 9, change reference from 3c and 3d to 3b and 3c, respectively. Page 9, Reference 3c, change source code to 614. Page 9, Reference 4a, change source code to 616. Pages 8-11, change all references labeled “Appropriate Fund” to “Operating Fund”. Page 11, add 131 to asset account number, and add 614 to source account number. Page 12, Paragraph 2, change the last sentence from “are” to “should be”, “all current retiree costs should be paid by ...” Page 12, Paragraph 2, add sentences at end of paragraph stating any payments made by the district by operating fund are considered part of the annual contribution. This does not prohibit a district from developing a trust for certain employee groups while using pay as you go for other groups. Page 12, Reference 3, remove last sentence.

The committee reviewed a summary for the School Business Bulletin. The committee recommended that the following should be added to the document titled GASB Statement 45, “Any trust fund established must be in accordance with Minnesota statutes.”

Colleen Leemon presented an update regarding the publication of the Site Level Reports and Report to Taxpayers. The reports should be available on the website soon. The department is working with the IT department on the allocation of district wide revenues to the district sites. The information on the Report to Taxpayer is linked to the Revenue and Expenditure Site Level Reports.

Colleen distributed a copy of the school district information that had been published on the State Auditor's website. The department will be publishing a similar report on the department's website. The goal is to have this as an interactive report providing users with a selection of report criteria. The report information will agree with Profiles, Consolidated Financial Statement and other financial documentation.

Ken Moos distributed two handouts: Summary of UFARS Dimension Changes for FY2008 and Draft of Library Services Account Expenditure Codes. Ken walked through the FY2008 UFARS changes with the committee. Ken briefly discussed some of the changes: Program 385 – Special Needs Non Disabled, this code is separate from Academically or Economically Disabled. Program 400 – General Special Education to use when coding revenues. Program 581 – Pre Kindergarten Program is currently under discussion. Finance 385 – Deferred Maintenance has added to separate expenditures for Alternative Facilities and Deferred Maintenance. Object 252 – Other Post Employment Benefits (OPEB Trust Contributions) is pending the passage of legislation authorizing school districts for this type of trust. Object 306 – Litigation Costs was developed in response to a legislative request for an annual report summarizing litigation costs. Object 399 – Purchase of Special Education Contracted Services from another District/Cooperative this code was developed to assist in tracking EDRS payments. Object 930 – Internal Service Fund or Post Employment Trust Fund Distributions has been removed by the GASB 45 Sub-committee because they felt that sufficient codes exist to post insurance costs. Balance Sheet Code 405 – Reserved for Deferred Maintenance was added due to recent legislation.

Ken walked through the Draft of Library Services Account Expenditure Codes Summary. Ken explained that Library Services requested additional account codes to keep track of expenditures. Ken was able to work with Library Services and based on the existing Program Code 620 – Educational Media and existing object codes they were able to satisfy their coding requirements any additional detailed information could be tracked through the use of course codes at the local level. Ken was informing the group that Library Services my request course codes to track specific expenditures at the local level.

Colleen gave the committee a copy of the membership search letter seeking volunteers for the Advisory Committee on Financial Management, Accounting and Reporting. Also included with the letter was a list of Committee Appointments for 2007. Colleen announced that Bob Haines had resigned from his position on the committee due to other employment opportunities.

A committee member wanted to discuss the Levy Limitation and Certification Report requesting automation of the process for districts. The department said that the request to automate the Levy Limitation and Certification Report has been submitted for consideration by the IT department.

Ken discussed Federal Special Education Tuition. The department has developed a process to document any negative adjustments for special education so that districts can track these adjustments. The new process will begin in February 2008 both resident and paying districts will receive this notice.

The next Advisory Committee meeting is scheduled for Wednesday, November 14, 2007 at the Minnesota Department of Education.

Meeting adjourned at 2:30 pm.