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From the Director's Desk: GASB 45 and Local Government

Governmental Accounting Standards Board "GASB" 45 requires taxing units to report on their financial statements other post-employment benefits (OPEB) such as life insurance or other obligations related to post-employment healthcare and non-pension benefit costs.

When is GASB 45 effective? Implementation dates are based on revenue thresholds:

- For the fiscal year beginning after December 15, 2006, for government employers with annual revenues greater than \$100 million;
- For the fiscal year beginning after December 15, 2007, for government employers with annual revenues between \$10 million and \$100 million; and
- For the fiscal year beginning after December 15, 2008, for government employers with annual revenues less than \$10 million.

Why should you care about GASB 45?

- It enables you to determine the extent to which your financial obligations are funded or unfunded.
- The periodic valuation is a federal requirement.
- Without the valuation, you really don't know the extent of your taxing unit's financial obligations.

How can GCS help? GCS has an actuarial team in place that can measure, recognize, and report your "other post employment benefits" and realistically define your taxing unit's financial obligations in the future. Please call or email Melissa Ambre, Executive Director, for further information on this federal requirement.

Dealing with the County Capital Projects Review Board

As we travel the State, we hear more and more local officials thinking and fretting about the county capital project review boards and its effect on them. Slated to take effect in January 2009, the nine-member board will review the budgets, tax rates, tax levies, capital project plans, and capital projects that exceed \$7m for all taxing units in the county. Many officials find themselves wondering what role the county board will take with budgets and capital projects. We think board members will play an active and critical role in the budget and capital

projects approved by the local fiscal bodies. Here are four things all taxing units should consider:

- *Striving to build a board that has a vision for the community;*
- *Increasing the communication between all taxing units and the community;*
- *Working together to build short and long-term consensus on what needs to happen in your community; and*
- *Considering and exploring operational efficiencies and joint capital projects between all taxing units.*

Sounds challenging, right? Yes, but *Governmental Consulting Services* and its sister company, *Educational Services Company*, can work with taxing units and school corporations to foster communications at the local level by conducting joint local planning sessions, building community consensus and fostering projects that benefit the needs of the community, schools, and local government. Our companies work together and use shared services, ideas and programs designed to assist and improve local and school government. **Let us make that strategy work for you.**

Across Indiana.....

Governmental Consulting Services is pleased to have clients in the counties of Bartholomew, Clinton, Grant, Hamilton, Hendricks, Johnson, Madison, Marion, Owen and Vermillion, where we provide(d) the following services: financial health analysis, local option income tax analysis, discussion on the capital project review boards, GASB 45 analysis and special studies.

New Consultants Join GCS

Our newest consultant and abatement specialist is **Deanne Ludwig**, who joined GCS in the fall. Deanne served as the **personal property abatement and T.I.F. calculation specialist** at Department of Local Government Finance, where she developed an instructional manual used by local officials and then continued working on abatements in the private sector before joining GCS. Deanne understands the complexities associated with abatements and can assist you in determining and tracking abatement deductions. Please contact Melissa Ambre, Executive Director, at mambre@govtconsultingserv.com

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Helping us to address your GASB 45 and local pension plan needs is **John Blankenship**, who has also joined GCS. John has experience in many aspects of benefit administration including specification development, quality assurance, and calculation review. Previously he served as an actuary for the State's Public Employees Retirement Fund (PERF), performing the annual actuarial valuation and pricing the fiscal impact of all applicable legislative proposals. Having in-house actuarial consultants like John and Denny Deeter have enabled us to provide assistance with school and local government pensions, benefits, and GASB 45. For employee benefits and GASB 45 assistance, please contact us at mambre@govtconsultingserv.com

GCS brings a wealth of government experience, common sense, and a firm understanding of local government operations to your doorstep. Visit our website or call us.