



Association of Government Accountants
Central Kentucky Chapter

Advancing Governmental Accountability

The AGA Messenger

President's Message

Lee Ann Watters

Volume XXV, Issue 9, February 2005

I'd like to start out by updating you on AGA's slate of officers for the coming year. The slate has been finalized. The Southeastern Regional Vice President position will be filled by Deborah Davis of the Chattanooga Chapter. We are looking forward to working with Deby in the coming year. Check out the AGA national web-site for a complete listing of the new officers.

Several of our chapter members will be attending the Southeastern Region's Professional Development Conference in Gatlinburg March 2 - 4. However, if you're not attending the PDC, there are still wonderful CPE opportunities out there. AGA, in cooperation with NASACT, is sponsoring a 2-hour audio conference entitled "Why Inadequate Internal Controls Lead to Fraud" at 2:00 p.m. on Wednesday, March 2. The cost is \$249 per site and attendance at each site is unlimited. This conference offers important information to everyone in the accountability profession. The conference also features a 20 minute question and answer session. Again, see the national web-site for more information.

In an effort to increase membership on a nation-wide basis, AGA has recently rolled out its new Advantage organization member program exclusively for government accountability agencies. This program allows a government agency the opportunity to enroll its members in AGA and pay all or a portion of the employees' membership dues. Taking part in the Advantage program entitles the employer to reduced registration fees for staff members attending AGA's nationally sponsored conferences and training programs. Employees in the group membership are eligible for member rates as well as an equivalent number of employees that are not in the group membership. The group members and the agency will receive complementary copies of the Journal of Government Financial Management. Additionally, the employer will receive a 10% discount on AGA products, audio conferences and study materials.

Right now, in the throes of winter, July seems a life time away. However, AGA's 54th Annual PDC and Ex-

(Continued on page 6)

Featured Inside the *Messenger*

Central KY Chapter News	2
Upcoming AGA & CPE Events.....	3
Kentucky Legislative Watch	4-5
Treasurer's Report.....	7

February Speaker

The Central Kentucky Chapter of AGA welcomes Mr. Jeff Wiley, Employment Standards Consultant from the Department of Labor, Environmental and Public Protection Cabinet.

The membership meeting will be held February 10, 2005, 11:30 a.m. at the Office Pub & Deli.

Central Kentucky Chapter News

February Chapter Executive Committee Meeting

The Chapter Executive Committee met on Wednesday, February 9, 2005 at Panera Bread. In attendance were Lee Ann Watters, Rick Waddle, Roy Hunter, Phil Nally, Cindy Upton, Sharon Parrish, Mary Hudson, Linda Sagraves and Amy Small.

Lee Ann Watters updated the CEC on the chapter's progress towards reaching our chapter recognition program goal. Our goal was 10,000 points; the chapter has met and surpassed that goal.

Lee Ann Watters updated the CEC on the status of the scholarship award. Sharon Parrish prepared the scholarship application package. Copies of the package were mailed to all universities and colleges in the Commonwealth on January 7, 2005. Scholarship applications are due on March 4.

Mary Hudson updated the CEC on the Nominating Committee's recent work. The following offices have not yet been slated: CGFM Coordinator, Secretary, Historian and Program

(Continued on page 6)

January Chapter Meeting – Focusing on Your Financial Future

The January membership meeting was held on January 6, 2005 at the Office Pub and Deli in Frankfort. Twelve members and eight non-members were in attendance to hear Yolanda Bradford speak about her position as a certified and approved financial counselor for the Kentucky Housing Program.

Ms. Bradford's accounting firm conducts "Yes, You Can Own A Home" workshops to inform people about the home buying process and to familiarize them with local professionals in the housing industry. Once interested parties attend these workshops, they are qualified for free financial counseling sessions and are advised about the many home buying programs at the Kentucky Housing Corporation. Those in attendance were surprised to hear about the wide range of Kentuckians that can qualify for KHC loans and programs.

Ms. Bradford is the owner of YLB Accounting Services in Shelbyville and can be contacted at ylbacct@bellsouth.net or at the office (502) 647-0314.

In addition to our guest speaker, President Lee Ann Watters made announcement regarding the change in the chapter's third quarter community involvement program. Tsunami relief funds will be collected at the next two membership meetings and proceeds will be donated to the American Red Cross International Relief Fund.

Upcoming AGA Events & CPE

National

- Professional Development Conference
This four-day conference addresses timely issues in government auditing, accounting, financial management, budgeting and information technology. Offering more than 30 hours of CPE.
July 10-13, 2005, Orlando, FL

CPE Opportunities (For more info, see www.agacgfm.org)

- 2005 Winter Seminar
February 16-17, 2005, Nashville, TN
AGA's Nashville Chapter is sponsoring this seminar, worth 16 CPE hours. Topics include Accountability and Performance Measurement, Enterprise Resource Planning, Detecting Fraud, and the 'Art of Communication and Business Conduct.'
- 2005 Spring Seminar
March 1-2, 2005, Chesapeake, VA
The AGA and ASMC Virginia Chapters are sponsoring this event that features: - CAPT Mark Rose, USCG, Running a Retail Business in the Federal Government - Coast Guard Exchange System - COL David Weinburg, USAF, Taking Care of People - Mr. Joe Lipscomb, Navy Federal Credit Union, The Importance of Trusts - Ms. Deborah Ramirez, Army Contracting Agency Contracting - Ms. Kim Rhoades, Civilian Personnel Advisory Center, CSRS/FERS - AND MORE! - 15-16 CPEs Awarded
- Ninth Annual Fraud Conference
March 21-22, 2005, Nashville, TN
A recent nationwide study on white-collar crime confirmed that fraud continues to plague most businesses, governments, and other organizations in the Mid-South as well as nationally. In an effort to increase awareness of the problem and offer practical solutions for preventing, detecting, and investigating fraud, the Middle Tennessee Chapter of the Association of Certified Fraud Examiners is pleased to announce its Ninth Annual Fraud Conference.
- AGA 2005 Spring Workshop
April 21-22, 2005, Nashville, TN
This workshop is geared toward early career employees and practical applications of knowledge and skills for government accountability professionals.

Kentucky Legislative Watch

The following are Bills for the 2005 Regular Session of the Kentucky General Assembly that could potentially have an impact on governmental accounting or the field in general. The information is from the Legislative Record.

- **HB 19 (BR 110)** - B. Montell, S. Baugh, K. Bratcher, S. Brinkman, Dw. Butler, J. Comer Jr, H. Cornett, T. Couch, R. Crimm, J. Draud, C. Embry Jr, B. Farmer, J. Fischer, D. Floyd, D. Ford, M. Harmon, M. Harper, J. Higdon, T. Kerr, S. Lee, R. Mobley, M. Rader, J. Reinhardt, T. Riner, C. Siler, B. Smith, T. Turner, J. Vincent

AN ACT proposing an amendment to Sections 42 and 80 of the Constitution of Kentucky relating to the General Assembly.

Propose an amendment to the Constitution of Kentucky to amend Section 80 to require the Governor to call the General Assembly into an extraordinary session if the General Assembly adjourns sine die without enacting a budget during a regular session occurring in an even-numbered year; and to amend Section 42 to prohibit members of the General Assembly from receiving compensation during an extraordinary session if the General Assembly adjourns sine die without enacting a budget during a regular session occurring in an even-numbered year.

(Prefiled by the sponsor(s).)

Jan 4-introduced in House

Jan 6-to Elections, Const. Amendments & Intergovernmental Affairs (H)

- **HB 102/FN (BR 316)** - B. Farmer

AN ACT relating to tax collection and administration and making an appropriation therefore.

Create new sections of KRS Chapter 141 to define terms; require income tax return preparers who prepare more than 100 individual income tax returns a year to file those returns electronically; provide for a waiver of electronic filing by the taxpayer; impose a \$10 filing fee on the preparer for each acceptable return not filed electronically; provide that the fee shall be retained by the Revenue Cabinet to offset the cost of processing paper returns; impose penalties against return preparers who do not obtain and retain waivers for acceptable returns not filed electronically; require the cabinet to promulgate administrative regulations to implement the electronic filing requirements and keep pace with technological advances.

Jan 4-introduced in House

Jan 6-to Appropriations and Revenue (H)

Feb 4-posted in committee

- **HB 105/LM (BR 337)** - K. Stein, L. Clark, R. Nelson

AN ACT relating to minimum wage.

Amend KRS 337.275 to increase the state hourly minimum wage to \$8.15 an hour; and increase to federal minimum wage rate if such rate exceeds the state minimum wage rate.

HB 105 - AMENDMENTS

HCS/LM - Amend 337.275 to increase the state hourly minimum wage to \$5.65 an hour with a \$0.50 an hour increase every six months until the wage equals but does not exceed \$7.15 an hour; increase to the federal minimum wage rate if such rate exceeds the state minimum wage rate.

Jan 5-introduced in House

Jan 6-to Labor and Industry (H)

Feb 3-posted in committee

Feb 8-reported favorably, 1st reading, to Calendar with Committee Substitute

Feb 9-2nd reading, to Rules

(Continued on page 5)

- **SB 49 (BR 150) - D. Kelly**

AN ACT relating to reorganization.

Amend KRS 12.020, 12.023, and 12.250 to set forth the organization of the Finance and Administration Cabinet; abolish the Revenue Cabinet and create the Department of Revenue within the Finance and Administration Cabinet; change the name of the Governor's Office for Technology to the Commonwealth Office of Technology and transfer it from the Office of the Governor to the Finance and Administration Cabinet; amend KRS 42.014 to establish the major divisions of the cabinet; amend KRS 42.013, 42.017, and create a new KRS section to establish the organization of the Office of the Secretary and the Office of General Counsel; amend KRS 42.023 and 42.025 to establish the organization of the Office of Administrative Services; amend KRS 42.0201, 42.024, 42.065, 42.0245, 42.400, and 42.410 to establish the organization of the Office of the Controller; amend KRS 42.027 to establish the organization of the Department for Facilities and Support Services; amend KRS 131.010 and 131.071 to establish the organization of the Department of Revenue; amend KRS 11.501, 11.505, and 11.511 to establish the organization of the Commonwealth Office of Technology and change the head of that office from the chief information officer of the Commonwealth to the executive director; amend various sections in KRS Chapters 7B, 11, 15-17, 18A, 29A, 40-45A, 47-48, 56, 61-62, 65, 68, 75-76, 91, 96, 96A, 99, 131-144, 147A-149, 151, 153-154, 156-157, 160, 164-164A, 171, 175, 179, 186-186A, 190, 194B, 197, 198A, 205, 209, 211, 218A, 224, 229, 230, 234, 241, 143, 247-248, 262, 271B, 273, 275, 278, 281, 287, 299, 304, 342, 351, 353, 365, 369, 387, 424, 438, and 514 to replace references to the Revenue Cabinet with either the finance and Administration Cabinet or the Department of Revenue and to replace references to the secretary of the Revenue Cabinet with either the secretary of the finance and Administration Cabinet or the commissioner of the Department of Revenue; provide direction to the reviser of statutes; confirm the Governor's Reorganization Executive Order 2004-723, dated July 9, 2004, relating to the organization of the Finance and Administration Cabinet, the abolishing of the Revenue Cabinet, and the name change and transfer of the Commonwealth Office of Technology to the Finance and Administration Cabinet.

SB 49 - AMENDMENTS

SCS - Retain original provisions except: Amend KRS 12.020 to transfer the Teachers' Retirement System Board of Trustees from the Education, Arts, and Humanities Cabinet to the Finance and Administration Cabinet (FAC); transfer, within the Office of the Controller, state government's duties regarding the county fee system for local entities from the Division of Statewide Accounting Services to the newly created Division of Local Government Services; delete the Division of Social Security; amend KRS 42.410 to include the Asset Liability Commission as an agency for which FAC provides staff assistance; require the Office of Financial Management to review state appropriation-supported bond issues as market conditions warrant, rather than every 6 months; amend KRS 131.020, relating to the structure of the Department of Revenue (DOR), to make changes in the duties of the Division of Legislative Services, Division of Registration and Data Integrity, Office of Sales and Excise Taxes, and Office of Income Taxation; delete the Property Valuation Administrators Office (Accounting) and assign the maintenance of the accounting structure for the 120 property valuation administrators' offices as a duty of DOR; amend KRS 11.505 to require the executive director of the Office of the 911 Coordinator be appointed by the Governor, subject to confirmation by the Senate; amend KRS 131.190 to clarify certain provisions relating to confidential tax information in the possession of DOR; amend various sections of the KRS to make technical corrections and conforming amendments.

Jan 6-introduced in Senate

Feb 1-to Appropriations and Revenue (S); taken from committee; laid on clerk's desk; taken from clerk's desk; 1st reading, to Calendar

Feb 2-2nd reading; returned to Appropriations and Revenue (S)

Feb 3-reported favorably, to Rules with Committee Substitute ; posted for passage in the Regular Orders of the Day for February 4, 2005

Feb 4-passed over and retained in the Orders of the Day

Feb 7-3rd reading, passed 35-0 with Committee Substitute

Feb 8-received in House

- **HB 375 (BR 936) - D. Horlander**

AN ACT relating to legal publications.

Amend KRS 91A.040 to change auditor's requirements for city audits; allow local governments to publish a legal advertisement announcing the audit and its findings; permit local governments to publish components of the audit on the Internet; allow audit report to be inspected by public during normal business hours; amend KRS 424.130 to permit counties other than those containing a city of the first class or a consolidated local government to publish delinquent taxes on the Internet, in lieu of newspaper publication; amend KRS 424.220 to allow cities, counties, and special districts to publish financial statements on the Internet; amend KRS 424.330 to permit sheriffs and cities to publish lists of uncollectible delinquent taxes on the Internet.

(Continued from page 1)

position, July 10-13 is right around the corner. The conference will be held in Orlando. The conference will offer 25 hours of CPE and will feature nationally recognized leaders in our profession.

AGA currently has an employment opportunity available. A Masters degree in Public Administration and 3 years of related experience is preferred. Knowledge of and interest in government performance reporting is required. The successful candidate will have strong interpersonal skills and the ability to work effectively with a wide range of constituencies in the federal, state and local government community. The ability to travel is required. Resumes and salary requirements should be sent to sfritzen@agacqfm.org or may be faxed to 703-548-9367.

(Continued from page 2)

Chairman. The committee is also working to fill positions on the following newly established committees: Education, CGFM, Programs, Community Service and Scholarship. New members are encouraged to hold positions on these committees.

Amy Small updated the CEC on the progress of the Tsunami Relief collections. Amy stated that there had not been a big response. The CEC voted to cease collections for this project and begin focusing on the Women's Shelter project. Additionally, Amy suggested that AGA sponsor a Relay for Life team this year. She asked that we try to assess the membership's interest.

Cindy Upton updated the chapter on Education issues. Dennis Dycus is not available to speak in May 2005. The CEC voted to forego the May 2005 training. Additionally, the CEC voted to procure Mr. Dycus for May 2006. Cindy also announced that Bill Broadus is available to speak at the October PDC. The CEC voted to invite Mr. Broadus to speak October 10 and 11, 2005.

The next meeting of the CEC will be held at Garcias Restaurant on March 9.

States, Cities Seek Internet Tax Revenue

At a time when states are grappling with record shortfalls, many are taking a closer look at how they can tax Internet sales, which are siphoning revenue from state coffers, the Wall Street Journal reported. Cities are getting in on the act too with New York City notifying 2,000 residents last week that they owe back taxes on cigarettes they bought online. People are using the web to save on the nearly \$7 per pack they would pay at a retail outlet. Technically these taxes are owed on purchases of music, books and other common items, but usually they are only due when the items are bought out of state and then transported or shipped items home. However, New York City has not indicated that it plans to expand its efforts to collect use taxes beyond tobacco, the Journal reported. State and local governments have pressured national web retailers to collect more taxes, and states such as California and New York now have "use tax" lines on personal income-tax forms, making it harder for consumers to claim ignorance, the Journal reported. —AccountingWEB.

The most luxurious possession, the richest treasure anybody has, is his personal dignity.
—Jackie Robinson

Interested in becoming involved but don't want the added commitment of being an officer? Join a committee! Opportunities available to serve on the Education, CGFM, Programs, Community Service or Scholarship committee.

AGA CENTRAL KENTUCKY CHAPTER							
TREASURER'S REPORT							
FOR THE MONTH OF JANUARY 2005							
OPERATING ACCOUNT				EDUCATION ACCOUNT			
<i>Beginning Bank Balance</i>		\$	3,805.07	<i>Beginning Bank Balance</i>		\$	2,890.23
Revenue:				Revenue:			
Interest	\$	3.39					
Total Revenue	\$	3.39		Total Revenue	\$	0.00	
Expense:				Expense:			
Speaker Gifts	\$	19.77		Printing	\$	295.10	
Total Expense	\$	19.77		Total Expense	\$	295.10	
<i>Ending Bank Balance</i>		\$	3,788.69	<i>Ending Bank Balance</i>		\$	2,595.13

Chapter Executive Committee			
Office	Officer	Email	Phone Number
President	Lee Ann Watters	LWatters@mountjoybressler.com	(502) 695-1040
President-Elect	Rick Waddle	Rick.Waddle@ky.gov	(502) 564-7750
Past President & Historian	Roy Hunter	RHunter@mountjoybressler.com	(502) 695-1040
Secretary & Newsletter Editor	Lydia Reynolds	LReynolds@mountjoybressler.com	(502) 695-1040
Treasurer	Phil Nally	Phil.Nally@ky.gov	(502) 564-7750
Program Coordinator	Sydney Lawson	SLawson@kde.state.ky.us	(502) 564-6910
Early Careers Director	Sharon Parrish	SParrish@gwmail.kysu.edu	(502) 564-6910
Education & Training Coordinator	Cindy Upton	Cindy.Upton3@lrc.ky.gov	(502) 564-8100
Community Service	Amy Small	Amy.Small@auditor.ky.gov	(502) 573-0050
Attendance & Membership Coordinator	Linda Sgraves	Linda.Sgraves@auditor.ky.gov	(502) 573-0050
CGFM & Public Relations Coordinator	Mary Hudson	Mary.Hudson@auditor.ky.gov	(502) 573-0050
Website Development Coordinator	Dan Flaherty	danielwf@insightbb.com	(502) 573-0282

AGA serves government accountability professionals by providing quality education, fostering professional development and certification, and supporting standards and research to advance government accountability.