

Using FIT to Tell Your Government's Story

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Center for Government Innovation

Center for
Government
Innovation



Office of the
Washington
State Auditor
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Presenter introductions

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About the Center

- Customized Lean facilitations
- Team-building and leadership workshops
- Best practices resources & checklists
- Cybersecurity resources
- Technical advice and training videos
- FIT



What is FIT?

RCW 43.09.230

- Requires local governments to submit annual fiscal report to SAO
- Requires SAO to publish the data from the annual report and make it available to the public.



Who's using FIT?



Today's agenda

- The five indicators in FIT
 - Cash balance sufficiency
 - Changes in cash position
 - Governmental funds sustainability
 - Debt load
 - Enterprise self-sufficiency
- Building the story
- FIT training



Understanding the indicators

<p>GROUP OUTLOOK GOOD ⓘ</p> <p>OUTLOOK: GOOD ⓘ</p>	<p>GROUP OUTLOOK CONCERNING ⓘ</p> <p>OUTLOOK: CONCERNING ⓘ</p>
<p>GROUP OUTLOOK CAUTIONARY ⓘ</p> <p>OUTLOOK: CAUTIONARY ⓘ</p>	<p>CASH BALANCE SUFFICIENCY GENERAL FUND</p> <p>OUTLOOK: INDETERMINATE ⓘ</p>

Indicators aren't scorecards



Tips for local governments

- Understand why your data looks the way it does
- Ensure the data is correct
- Consider the factors that led to the data
- Compare the current year to your financial statements
- Utilize SAO's financial checklists

Center for Government Innovation

What to do after you file: Data quality checklist

If you have questions about your data or this checklist, email us at center@saoc.wa.gov

Date of Review: _____
 Unit or Department: _____
 Completed by: _____
 Key Recommendations: _____

[Click here to access FIT, then sign in to view your profile!](#)

Checklist	Number and Description	Yes/No	Status	Importance/Explanation
4	Analysis - Revenue: Access your revenue report by scrolling down to the "Annual Filing Data," section of your FIT profile. Select the Revenue report, or the left-most report in this section. You can add internal service funds by using the "Report Types."			
	All Funds - Do revenue types appear consistent from year to year, when consistent in amounts or consistent with your department? Explain each revenue category to show specific types of collections.	YES <input type="checkbox"/> NO <input type="checkbox"/>		Certain types of revenue are generally consistent from year to year (sales, for example). Other types may vary based on services, like changes for sales. Others may vary because of timing, like grants. Review trends over time - do any trends stand out to you? (based on their history) NOTE: SAO's coding changes and decisions can change the appearance of trends over time.
5	All Funds - Are Misc. Revenues (999999) generally immaterial to the rest of revenues each year?	YES <input type="checkbox"/> NO <input type="checkbox"/>		SAO's account 999999 should only be used for minor, immaterial amounts. If this number is growing or is material to the fund, there may be a more appropriate SAO's account for some of the receipts.

Cash balance sufficiency

Meaning: The number of days a fund(s) could operate based solely on its ending cash and investments balance

Benchmark: At least 60 days

Importance: Ensures the government has enough cash on hand to operate, as well as deal with unexpected costs or emergencies



Change in cash position

Meaning: The percent change in ending cash and investments compared to the prior year

Benchmark: Greater than 0%

Importance: Demonstrates whether the government has the ability to build reserves or if they're using up their savings



Governmental funds sustainability

Meaning: Spending is in line with the revenue received (includes expenditures and debt service)

Benchmark: Greater than 0%

Importance: Demonstrates if the government is living within its means. Greater than zero indicates the government has funds for capital improvements or to build reserves



Debt load

- Meaning:** How much of the government's revenues are being used to make debt payments
-
- Benchmark:** Less than 12%
-
- Importance:** Issuing debt is not uncommon to finance capital improvements; however, at certain levels it can reduce financial flexibility and potentially become a burden.



Enterprise self-sufficiency

- Meaning:** Enterprise funds are generating enough revenues to cover costs to operate and pay debt service each year
-
- Benchmark:** Greater than or equal to 0%
-
- Importance:** A ratio greater than 0 indicated that enterprise funds are recovering expenditures and debt service through rates. A ratio less than 0 indicates the enterprise funds had to borrow from the past or the future or be subsidized by other means

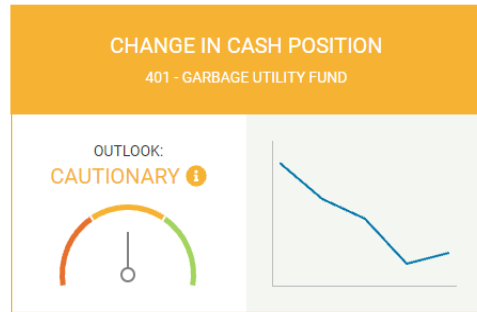
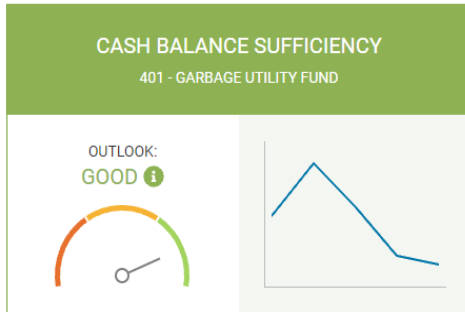


Let's go live

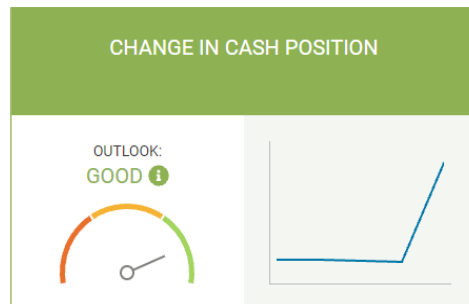
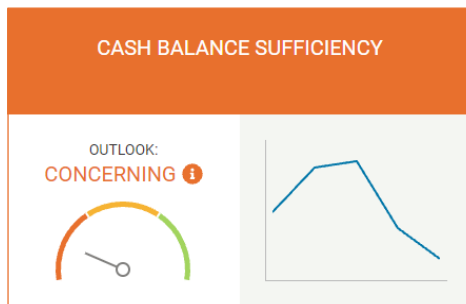
Building the whole story



Building the whole story



Building the whole story



Building the whole story

GROUP OUTLOOK GOOD 0	GROUP OUTLOOK CONCERNING 1
OUTLOOK: GOOD i	OUTLOOK: CONCERNING i
GROUP OUTLOOK CAUTIONARY 1	CASH-BALANCE SUFFICIENCY GENERAL FUND
OUTLOOK: CAUTIONARY i	OUTLOOK: INDETERMINATE i



How to get FIT

1

2

Personal Training	
Hour(s)	
0.5	New Features
Finance(4)	Basic/Intermediate-Finance
Council(2)	Basic-Elected
Council(1)	Basic-Elected and Peer Comparisons
Finance(1)	Data Extract Assistance
Finance(1)	Data Extract Assistance/# of audits questions
Reporter(1)	Basic-Public User
Finance(1)	Peer Comparisons, projections
City Council	Basic-Elected

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Questions



Contact Information

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