

# Michigan Committee on Governmental Auditing and Accounting

Draft Meeting Minutes  
Thursday, October 10, 2024 at 10:00 a.m.

**Virtual Public Meeting  
Via Microsoft TEAMS**

## **1. CALL TO ORDER**

A. Cary Vaughn called the meeting to order at 10:03 a.m.

## **2. ROLL CALL**

Members Present – 11

- Cary Vaughn – Department of Treasury
- Yongping McDonnell - Department of Treasury
- Rana Emmons – PSLZ
- Paul Matz – Rehmann
- Penny Ray – Milford, MI
- Bill Tucker – Maner Costerisan
- Michelle Watterworth – Plante Moran
- Eric Van Dop – Brickley DeLong
- Bridgette Gransden – Midland, MI
- Anthony Moggio – City of Rochester

## **3. REVIEW OF PRIOR MEETING MINUTES**

A. The May 23, 2024 draft meeting minutes were sent out to the members for review. Committee approved minutes and they have been posted to the web.

## **4. OLD BUSINESS**

A. None

## **5. NEW BUSINESS**

### **A. NUMBERED LETTERS FOR 2024**

Cary advised the Committee that the process of reviewing and updating has begun for the old numbered letters in 2022. The goal is to review and update 20% of them each year. Mostly, it will be formatting updates. The next step is to issue the exposure draft to the public.

**B. ROAD MANUAL**

Cary informed the committee that Treasury had a successful meeting with the County Road Association Road Manual Subcommittee on August 26th. Everyone from the Subcommittee agreed to a timeline for the changes that need to be made to the road manual. MDOT Act 51 report committee were in the meeting, too. As you may have known, they are in the process of changing their 51 reports. Over the next approximately 18 months, application of new standards, accounting for federal aids, equipment rental credits, depreciation credits, donated capital assets, gains/losses of capital assets will be made. These changes likely will be issued in a separate document in an appendix or something similar as they are ready to go, and then will be folded into the road manual.

**C. MDOT ACT 51 REPORT REDESIGN**

Cary reported that from the meeting with the County Road Commission on August 26th, MDOT officials indicated that they will not be able to remove as many items as they liked originally because the Office of Commission Audits (OCA) confirmed that they need much of that information.

**D. DELINQUENT TAX REVOLVING FUND ACCOUNTING**

Cary reported to the committee that Mary Michell, Treasurer at Emmett County, with a group of accounting professionals from various local governments have been working together to draft a proposal for us. We have scheduled to meet with Mary at the end of this month to go over the proposals. At this point, we have not seen the proposal yet. Not sure what the next step is but will keep the committee posted.

**E. APR UPDATE WITH NEW SYSTEM**

In the last meeting, Cary updated the committee on the changes Treasury was going to make to the F65 report and APR and the submission of both reports. We were told that by the end of May, the external APR testing will be ready for us. The internal APR testing will be ready in early August. As expected, this got delayed. We have gone through the testing for the design of the form and are scheduled to start doing the business rule testing in October. This may get delayed again. We are about to start testing the design of the foundation of the new system for local unit areas. The business rules testing is scheduled to start on Wednesday, Oct 23. This will be where we may need external folks to help with the testing. IT is trying to figure out how this can work as they are not sure how to bring external users in for testing. The estimate is mid-November to bring external auditors in for testing. From what IT said, external testers will need to come to our office to do the testing. It must be done within the state network connections. Michelle, Bill, and Rana have expressed to help us with this, which we really appreciated!

**F. F65 REDESIGN**

We have made a lot of progress. The first redesign has been completed. We have sent the draft to the Committee and US Census for feedback. The deadline for reply was Oct 8. We have received some feedback and are reviewing each of them. The next step is to send an exposure draft out for public comment. We hope to issue it this month or next month.

Major changes:

Revenue tab: remove or/and combined some accounts more consistent with UCA

Expenditure tab: Restructured to align with the activities as prescribed in the UCOA.

Capital: Removed

Position tab: no changes

Other tab: Only keep information on derivative instruments, this is a statute requirement so we can't remove this.

Employee Benefits tab: Replaced with 5572 form

Indebtedness tab: Removed the requirements for the beginning balance, additions, and subtraction columns, broke out the long-term debt between governmental and business-type activities, removed the short-term debt area, and removed the interest expense area.

**G. TREASURY WEBINAR FRC**

We are trying to think of different ways to get the word out to those that need the training and those that don't receive our emails. Bridgette suggested using MGFOA to push out Treasury resources and to include it in their newsletter as well as ask auditing firms to send treasury information to their clients. MTA members can also help reach out to small local units.

**H. 2025 MCGAA COMMITTEE MEETINGS**

The committee set the 2025 meeting schedule for the following days:

Thursday, January 9, 2025

Thursday, April 10, 2025

Thursday, July 10, 2025

Thursday, October 9, 2025

**ADJOURNMENT: 11:04AM**