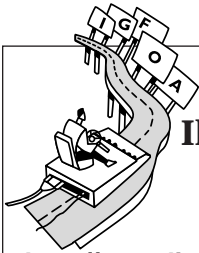




Communiqué



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Illinois GFOA
Web site!

<http://www.lincolnet.net/igfoa>

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Nominating Process Bylaw Amendment Proposed

On June 20, the IGFOA Executive Board agreed to submit the enclosed by-law amendment to a vote of the membership at the September 9 annual business meeting.

This amendment establishes firm time frames for soliciting Executive Board nominations, and requires the Nominating committee to present a proposed slate of candidates to the members at least 30 days before the annual business meeting. The amendment also recognizes the custom of appointing past presidents to the Nominating Committee and removes the requirement that committee members attend the prior year's business meeting.

Requests for nominations were mailed to each voting member during June. Letters of nomination for the At-large Executive Board position are due to Nominating Chair Len Flood, Village of Lombard, 255 E. Wilson Avenue, Lombard, Illinois, 60148 by July 15.

IGFOA Members with questions about the nominating process should call Len at 630-620-5915.

GASB Receives IGFOA Input in Ft. Lauderdale

The Governmental Accounting Standards Board held a public hearing on the Exposure Draft-Basic Financial Reporting Model for State and Local Government in Ft. Lauderdale on June 4. IGFOA was represented by Hella Tomczak, Finance Director, Village of Hoffman Estates; Richard Grove, Business Manager, Forest Preserve District of Will County; and Robert Thoma, Partner, McGladrey & Pullen, LLP.

Please turn to page five for the Technical Accounting Review Committee's response to the GASB pronouncement.

Hey, watch out!

Please watch your mailbox for the **Urban Innovations** survey of municipalities. Be sure to complete and return your survey to help build a storehouse of innovation how-tos!

Communiqué is the membership publication of the Illinois Government Finance Officers Association. For more information, phone 630-629-1460.



Member News

Tina Becke has joined the Geneva Park District at Business Manager. Tina was previously with the Illinois Park and Recreation Association.

Best wishes, Tina!!

Summer-Fall Calendar of Events

Career Development - Banking Services Seminar

Thursday/ Friday, July 10 -11 • 8:30 a.m. to 4:30 p.m. • Diplomat, West Elmhurst • Contact IGFOA to register

Chicago Metro

Friday, July 18 • Topic, time and location to be announced

Downstate Chapter Summer Conference— Peoria

Thursday/Friday, July 24-25 • Topic, time and location to be announced

South Metro luncheon

Friday, August 1 • Noon

Chicago Metro Golf Outing — Oak Meadows

Friday, August 8 • Contact Mark Horton at 630-260-2000 for details

Certification examinations — Moline

Saturday, September 6 • 8 am - noon

GASB Update - Pre-conference seminar — Moline

Saturday, September 6 • 1-5 pm

IGFOA Annual Conference — The Mark, Moline

September 7-9

South Metro

Friday, October 3 • Noon

Women's Network

Friday, October 10 • Noon

Chicago Metro Breakfast Meeting — Mentoring

Friday, October 17 • 7:30 am

Career Development Seminar — Governmental Accounting

Friday, November 14 • Time and location to be announced

Chicago Metro - Rating Agency Expectations

Friday, November 21 • Noon

**Job ads for the September issue are due August 14.
Fax to 630-629-1526.**

Illinois Awards for Excellence Winners

Congratulations to Illinois recipients of the GFOA 1997 Awards for Excellence in Government Finance:

City of Chicago/ O'Hare International Airport

Capital Financing and Debt Administration, Policies and Procedures. Passenger Facility Charge Revenue Bonds, Series 1996 A & B.

This bond issuance to fund noise mitigation projects was secured exclusively by cash flows from the Passenger Facility Charge (PFC) program, an innovative financing technique. A landmark Federal Aviation Administration Record of Decision provides enhanced bondholder security through a guarantee of PFC program cash flows sufficient to pay service on the bonds, even in the event of a violation of the PFC Act.

Teachers' Retirement System of the State of Illinois

Pensions and Benefits, Policies and Procedures. Rapid Retirement.

Under the Rapid Retirement program, a retiring teacher answers a brief series of questions over the telephone with a benefits counselor, who then sends a personalized, preprinted retirement packet rather than requiring the retiree to wade through nearly 40 pages of instructions and forms. What used to take retirees five hours to complete now takes five minutes, and 100 percent of those surveyed prefer receiving the preprinted forms. The program saves postage, reduces overtime costs, and improves accuracy in forms completion.

The Awards for Excellence in Government Finance are the association's most prestigious awards, exemplifying outstanding financial management.

The answer to the Certification Corner "Test Yourself" question on the back page is D.

Job Opening — Elmhurst Park District

Accounting Clerk Position — Full Time

Due to growth, we are looking for two full time accounting clerks. These positions will concentrate in the area of accounts payable, accounts receivable, payroll, cash receipts, and other essential tasks. Previous experience in bookkeeping, at least a year, is preferable. An associate degree in a related field is also beneficial. These positions will be filled with accurate individuals who give great attention to all details. They will have excellent communication and customer service skills. They will be self starters unafraid to learn or question. We offer excellent benefits and a very comfortable working atmosphere. Salary commensurate with experience, beginning in low 20's. Interested candidates should fax resumes to 630-993-0995, attention Lori Hausler.

Conference at The Mark, Ready and Set for September...Go!

Plans are set for the 1997 IGFOA Annual Conference at The Mark in Moline. Conference attendees will lodge at the new Radisson on John Deere Commons next to The Mark Conference Center.

Pre-conference activities on Saturday, September 6 will include certification testing and a GASB update seminar.

Sunday, September 6 activities include the annual golf outing — to be held at Hawthorn Ridge — or a two-mile river walk and brunch. Conference registration begins at 2 p.m. on Sunday with a football reception, followed by an evening buffet and entertainment.

On Monday, September 8, the morning's keynote speaker will be Coach Stallings of the Illinois State Redbirds. Marty Jenkins of Organizational Resources Group will lead workshops on leadership and motivational skills for finance officers.

On Tuesday, September 9, we will hold a brunch and annual business meeting, and recognize those who have become Certified Finance Officers during the past year.

Other conference sessions on that Monday and Tuesday include The Anatomy of an Investment, Debt Management Issues and Answers, State Shared Revenue and Property Taxes, Public/Private Partnerships that Work and Financial Services.

This year's Vendor Showcase will focus on banking services (depository and cash management). Associates involved in banking services and interested in participating as exhibitors should contact IGFOA for an application packet.

The member conference fee of \$200 (if paid before August 7) includes conference sessions, the Sunday reception and evening buffet and entertainment, Monday meals and evening entertainment and Tuesday brunch. Guest registration of \$125 (if paid before August 7) includes the Sunday and Monday reception, dinner and entertainment, Monday "Heart of Illinois Agriculture" tour and Tuesday brunch. Separate fees are charged for the pre-conference GASB seminar, river walk and golf outing. Fees increase after August 7. Don't delay — use the enclosed form to register for the conference.

To receive the special IGFOA rate of \$55 per night, phone the Radisson at 309-764-1000 before August 7.



1997 Conference Featured Sponsors

Armor Systems Corporation
Banc One Investment
Management Group
Bansley and Kiener, LLP
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First Chicago Capital Markets
Inc.
Geo. S. Olive & Co. LLC
Griffin, Kubik, Stephens &
Thompson, Inc.
Harris Trust & Savings Bank
LaSalle National Bank
McGladrey Pullen, LLP
Pandolfi, Topolski, Weiss & Co.
PEBSCO
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The Direct Response Resource,
Inc.

**To become a General
Conference Sponsor,
contact the IGFOA office
at 630-629-1460**

From the President

A message to our Associate Members:

The budget adopted earlier this year by IGFOA's Executive Board included significant changes to the dues structure for associate members. The changes acknowledge that associate members contribute substantially to IGFOA's financial resources. Participation also provides opportunities for associate members to inform prospective clients of their services. The Board sought a means to increase associate support without continual funding requests — *We never interrupted your dinners to solicit support, but I can't say the same for lunch!* The Board also sought to expand the value of membership to you.

To that end, the Board established three membership tiers. The highest, Sponsoring Associates, includes sponsorship of the Annual Conference. I am please to say that the 18 Sponsoring Associates greatly exceeds the number we had expected. They are recognized in the box on page three. Other associate members can also sponsor the conference with an added fee. General sponsorships received to date are also noted. The Membership Services Directory, to be mailed shortly, has been completely reformatted so

that information on associate member services can be referenced more easily.

I encourage associate members to provide feedback on IGFOA's services and products. We hope that this year's changes have enhanced the association's value to you, and that you will have good things to say. But if not, we'd like to know that too. At this year's Annual Conference in Moline, Associate Board Member Sherry Lauterbach and I will host a roundtable discussion to solicit your input. I look forward to seeing you there!

New Members!

David Abel, *Vice President, First Chicago Capital Markets Inc.*
A.G. Anglum, *Vice President, Harris Trust & Savings Bank*
Kirt Bjork, *Vice President, Aeltus Investment Management, Inc.*
Michael Boisvert, *Griffin, Kubik, Stephens & Thompson, Inc.*
Vicki Buresh, *Vice President, Harris Trust & Savings Bank*
Laleen Doerrer, *Harris Investment Management Co.*
John Dolasinski, *Director of Finance, Village of Lincolnwood*
Jerald Ducay, *Village Administrator, Village of Crete*
Rudolf Frank, *Vice President, LaSalle National Bank*
Rachel Freund, *Fiscal Operations Manager, Village of Hoffman Estates*
Paul Gamble, *Vice President, Fidelity Investments*
John George, *Manager, McGladrey Pullen, LLP*
Bill Hannah, *Assistant to Dir. Admin Services, Village of Barrington*
Alice Hanner, *Director, Standard & Poor's Ratings Group*
Robert J. Hannigan, *Bansley & Kiener, L.L.P.*
Charles Hawkins, *Vice President, Banc America Securities, Inc.*
Jeff Heap, *McGladrey Pullen, LLP*
Philip Hildebrandt, *Director of Marketing, Segall Bryant & Hamill*
Michelle Horaney, *Finance Director, City of Galesburg*
Michael D. Huels, *Partner, Bansley & Kiener, L.L.P.*
Jim Hughes, *Director of Finance, City of East Moline*
Matthew Klemp, *Group 1 Resources, Inc.*
Carol Kraus, *Pandolfi, Topolski, Weiss & Co.*
Todd Krzyskowski, *First Chicago Capital Markets Inc.*
Rod Kuecker, *Senior Vice President, Hinsbrook Bank & Trust Company*
Eleanor Lipinski, *Everen Securities, Inc.*
John Lohmeier, *Vice President, Mgr Trust & Investment, Hinsbrook Bank & Trust Company*
Steve Lux, *Deputy Comptroller of Accounting, City of Chicago*
Patricia Martinez, *Accountant, Town of Normal*
Carolyn Miller, *Treasurer, City of Rochelle*
Kenneth E. Miller, *McGladrey Pullen*
Scot Neukirch, *Senior Accountant, Village of Niles*
Turee Olsen, *Associate Clerk for Budget, Clerk of the Circuit Court – Cook County*
Mark Pries, *Assistant Finance Director, Village of Park Forest*
Neil Pritz, *First Chicago Capital Markets Inc.*
Linda Rafanello, *Assistant Vice President, LaSalle National Leasing Corporation*
Rich Roleck, *Accounting Manager, McHenry County*
Steven Rosenquist, *Finance Director, Village of University Park*
William Scott, *Finance Director, City of Rock Island*
Mike Sole, *Regional Vice President, Great West Life/Benefits Corp.*
Susan Stueland, *Institutional Banking Officer, American National Bank & Trust Co.*
John Weber, *Manager, Pandolfi, Topolski, Weiss & Co.*

Response to GASB

Following are the key points raised in the Technical Accounting Review Committee's response to the GASB Exposure Draft-Basic Financial Reporting Model for State and Local Government.

We do not support the new financial reporting model which is contemplated by the GASB. We appreciate the fact that a great deal of effort has been devoted to this project. However, we believe that the proposed reporting model is an attempt to be all things to all users. We feel it will create more problems than it will solve.

Dual-Perspective Reporting

The first and most important of our objections concerns the very concept of dual-perspective reporting. Financial reporting using the dual-perspective would be extremely confusing as it would present much of the same financial information in two different ways. Indeed, from legislative bodies and citizens, we expect that we would often be asked the question, "Which are the *real* financial statements?"

Not only would dual-perspective financial statements be difficult to understand, they would be difficult and costly to prepare. Even under the current reporting model, the preparation of financial statements is a very time consuming, labor intensive task.

Given the confusion which dual-perspective reporting would create and the burden it would place upon governments, we believe that it is possible that some governments may elect to abandon financial reporting based upon generally accepted accounting principles (GAAP).

Infrastructure Reporting

We find the provision in the proposed reporting model which would require the reporting of infrastructure assets acquired during the 25 years preceding the effective date of the statement at the entity-wide level to be fraught with problems. Conceivably, under the proposed reporting model, half or more of the

amount of a government's total assets could be arrived at by an estimate.

Statement of Activities at the Entity-Wide Perspective

We believe that the combining of governmental and business-type activities at the entity-wide perspective in a Statement of Activities is ill-advised. The combined operating statements in the current model are preferred over the Statement of Activities.

Budgetary comparison Statement at the Fund Perspective

We object to required presentation of both original and final budget amounts in the Budgetary Comparison Statement at the fund perspective. Similar to other features of the proposed reporting model, the presentation of two budget-related columns would make governmental financial statements more difficult to understand.

Recommendations

Having definitively endorsed retention of the current reporting model, we see certain features of the proposed model which are attractive. We believe that all of these features can be incorporated into the current reporting model:

- 1. Requiring a Management's Discussion and Analysis (MD&A)** would be very helpful to a reader in understanding and interpreting the financial statements of a government — however, *only* currently known facts, decisions and conditions should be covered.
- 2. Eliminating the reporting of expendable trust funds** would serve to simplify reporting to a degree.
- 3. Revising the definition and reporting of fiduciary funds** as activities for which a government acts as a trustee or agent for individuals or organizations outside of the government is to be applauded. We also see great merit in limiting the reporting of the fiduciary funds because they have little bearing on financial condition or position of a government.

Preconference seminar

A review of proposed changes and potential ramifications, plus other recently enacted GASB pronouncements.

Saturday, September 6

1:00 to 5:00 p.m.

Radisson John Deere

Commons, Moline

See enclosed insert to register

Attention Budget Professionals!

The Government Finance Officers Association (GFOA) is seeking qualified budget professionals who could serve as reviewers for the Distinguished Budget Presentation Awards Program. As a reviewer for this program, you can take advantage of these benefits:

- 1) the opportunity to examine the budget documents of other organizations throughout the United States and Canada,
- 2) professional recognition (reviewers will be acknowledged in the Budget Awards Program's annual report which is mailed to all of the GFOA's more than 12,000 members and in the quarterly Budget Reviewer Newsletter for returning reviews by the required deadlines), and
- 3) a practical and effective means of contributing to the improvement of the public finance profession.

Active reviewers are asked to review up to eight budgets a year and to designate three specific months during which they do not wish to be assigned budget documents to review. We encourage you to contact the Budget Awards Program staff Juliet Powdar or Amar Fowler at GFOA's Chicago Office (180 N. Michigan Avenue, Suite 800, Chicago, Illinois 60601-7476; Phone 312-977-9700; Fax 312-977-4806) if you have questions about serving as a reviewer.



Illinois GFOA
P.O. Box 1088
Lombard, IL 60148

**ADDRESS CORRECTION
REQUESTED**

Inside:
1997 Conference at The Mark

**Illinois' Own Doug
Ellsworth Now
National GFOA's
President-Elect**

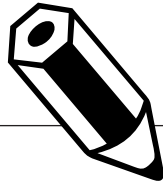
Douglas R. Ellsworth, Director of Finance for the Village of Glenview, will take the reins of the national GFOA in June 1998.

He became the association's President-Elect on June 3 at the national conference in Ft. Lauderdale. He has been a member of the GFOA Executive Board since 1994.

Did you know?

Illinois GFOA maintains a list of individuals interested in temporary or interim professional finance assignments with governmental units.

If you are interested in being included on the list, please contact IGFOA Executive Director Marianne Shank at 630-629-1460.



Certification Corner
Test yourself!

Which of the following ratings are judged to reflect bonds of speculative (less than investment grade) quality?

- I. Baa
- II. BB
- III. B
- IV. Caa

- a. IV
- b. I, II & III
- c. II & III & IV
- d. I, II, III & IV

*See page two
for the correct answer!*

Communiqué

Communiqué is published bi-monthly by the Illinois Government Finance Officers Association (IGFOA), P.O. Box 1088, Lombard, IL 60148; phone 630-629-1460, Marianne Shank, editor.

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