The Illinois Government Finance LEADER

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ILLINOIS GOVERNMENT FINANCE OFFICERS ASSOCIATION

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"The Ethics Guy" to be featured at IGFOA Conference Brunch

The subject of Ethics will be on the table at the IGFOA Conference Keynote Brunch on Tuesday, September 26 when The Ethics Guy speaks to attendees on reducing the risks of ethics violations.

The Ethics Guy will present easy but essential real-world ideas and tools that can be put into practice immediately. Rather than simply learning about ethics code, you'll hear about how to 'walk the talk' of great ethics.

People who have already heard The Ethics Guy speak say that, unlike other ethics programs, this is fun!

Dr. Bruce Weinstein, The Ethics Guy, is a professional ethicist whose interactive talks show how all of us can make better decisions using four simple steps. He appears from time to time as an ethics analyst on CNN's "Anderson Cooper 360," and his syndicated column, "Ask the Ethics Guy," is distributed internationally by Knight Ridder/Tribune. His interactive talks to businesses, schools, and non-profit organizations across the country show how living an ethical life makes us happier, healthier, and more prosperous.

His latest book, *Life Principles: Feeling Good by Doing Good*, shows why all of us benefit professionally and personally when we live according to ethical principles.

Dr. Weinstein is the author or editor of four previous books and the author of over 20 articles on ethics. His writings have appeared in, and he has been featured in *The New York Times, The Los Angeles Times, The Chicago Tribune, Investor's Business Daily, The New York Observer, Family Circle, Men's Fitness, Real Simple*, the *Journal of the American Medical Association,* and the in-flight magazines of American Airlines, Delta Airlines, USAirways, United Airlines, America West, as well as Newsweek.com, CNN.com, and FoxNews.com.

In addition to his CNN duties, he has appeared as an ethics analyst on NBC's "Today Show," ABC TV's "Good

Morning America," the Fox News Channel's "O'Reilly Factor," MSNBC "The Situation with Tucker Carlson," CNBC's "Capital Report," Bloomberg Television's "Personal Finance," and other many programs.

He received a bachelor's degree in philosophy from Swarthmore College, a doctorate in philosophy and bioethics from Georgetown University, and a certificate in film production from New York University.

Dr. Weinstein is a W.K. Kellogg National Fellow and lives in New York.

Earn 1.5 CPE Credits in Ethics.

Seminars within a Conference to be offered this year

This year's Annual Conference will feature two seminars woven into the program, along with a variety of offerings in the areas of Management and Hot Topics in Government Finance.

Leadership Dialogue

Monday, Sept. 25 9:00 am-5:00 pm
Speaker: Paul Craig, U of I   7 CEU credits

This is the first in **an annual series of Leadership Dialogues for Public Sector Finance Professionals.**

Led by Paul Craig of the University of Illinois, the session will be held in a relaxing yet challenging format. Attendees will learn new concepts on leadership from the author's words, the facilitator's insights and the exchange of ideas from the other participants. Participants in the session will receive and read the chosen book before the session. Seven CPE credits will be given.

This is first in an annual series of Leadership Dialogues for Public Sector Finance Professionals. The Leadership Dialogue is a journey of self-discovery and the exploration of new ideas about leadership. The chosen book, Endurance: Shackleton's Incredible Voyage, will undergo a "semantic autopsy," a procedure which lays open the author's ideas and arguments to the scrutiny of the group. Emphasis is on discovery as the dialogue attempts to relate the author's thesis to real-world issues facing contemporary leaders. Through the journey, participants will discover new concepts and invent new meaning for these ideas in their organizations. Participants explore the meaning and application of the author's ideas to his or her life. This exploration, coupled with the dialogue experience, will leave you with a feeling of ownership of the book. Participants frequently return to a book as they would an old friend, when they seek some encouragement or special words of wisdom.

"Emergencies have always been necessary to progress. It was darkness which produced the lamp. It was fog that produced the compass. It was hunger that drove us to exploration."

–Victor Hugo

Advanced Governmental Accounting

Monday, Sept. 25 9:00 am-5:00 pm and Tuesday, Sept. 26 8:15-10:30 am
Speakers: Fred Lantz, Sikich LLP; Janet Matthys, Sikich LLP; Brian LeFevre, Sikich LLP
7 CEU credits for Mon.; 2 CEU credits for Tues.

Advanced Governmental Accounting with Fred Lantz, Janet Matthys, and Brian LeFevre, all of Sikich LLP, is offered as a two-day seminar for Monday and Tuesday. It will address the complex challenges of implementing GASB standards and preparing useful financial reports. Current hot topics in governmental accounting, recently enacted GASB pronouncements and pending issues will be covered. Nine total CPE credits will be given.

Day 1 will cover accounting for Cash and Investments related to GASB 31, Disclosures for Cash and Investments related to GASB 40, Economic Condition Reporting related to GASB 44, Accounting for Debt Issues, Accounting for Capital Assets, and Accounting for Post Employment Benefits and Special Termination Benefits related to GASB 43, 45, and 47.

Day 2 will cover interfund transactions and Equity Reporting and GASB's Project Agenda and Future Pronouncements.

Location and overnight rooms

Hotel Pere Marquette
501 Main Street
Peoria, Illinois 61602

Overnight room rates guaranteed until August 22, 2006:

Single or Double $82.00 plus tax

Each additional person $15.00

To reserve a room call 800-447-1676 and be sure to ask for the Illinois Government Finance Officers Association rate.

Vendor Showcase

The IGFOA Annual Conference includes a Vendor Showcase featuring firms exhibiting products and services for government finance operations. The 2006 Vendor Showcase will be the site of the Monday morning breakfast buffet, breaks, and Vendor Showcase Reception.

Exhibit Booths are available on a first in/first paid basis. Payment in full by check or credit card must be received within one week of submitting an application to reserve an Exhibit Booth. Limited space available.

Apply on-line at http://www.igfoa.org

Conference at a Glance

> "The most ominous of fallacies – the belief that things can be kept static by inaction."
>
> –Freya Stark

Sunday, September 24, 2006

9:30 am-2:30 pm	Golf Outing at Coyote Creek Golf Club This beautiful 18 hole course features a wide range of difficulties and playing obstacles that are sure to challenge even the finest golfer. On top of the challenging play, the course displays nature in all of its glory with numerous lakes and creeks, which feature stone bridges, as well as the serenity of flowing waterfalls. Coyote Creek is sure to delight golfers of every playing level.
Noon-5:00 pm	Oktoberfest on the RiverFront This event showcases German heritage through song, dance, food, drink, cultural exhibits and much more. Sunday starts with a mass at the Riverfront in the big tent with festivities beginning at Noon.
10:00 am-5:00 pm	Registration
3:30-4:30 pm	Assistants' and Professional Staff Networking Session
	Associate Members Forum:
	DROP— Explore the ups and downs of Deferred Retirement Option Plans
5:00 - 5:30 pm	New members sneak preview of in-Play
5:30-9:30 pm	Welcome Reception, Dinner and good time at inPlay Entertainment Complex inPlay at the Maxam is a good time all the time. Play the latest interactive games… hang out in the inZone Sports Bar… maybe even try a little indoor rock climbing.
9:30 pm - Midnight	IGFOA Hospitality Suite at the Hotel Pere Marquette

Monday, September 25, 2006

7:30 am - 12:30 pm	Vendor Showcase open
7:30 - 9:00 am	Breakfast Buffet — check out this year's exhibits!
9:00 am-12:30 pm	Morning Educational Sessions
12:30-1:30 pm	Lunch and Annual Business Meeting
1:30 - 4:00 pm	Vendor Showcase open
1:30-5:00 pm	Afternoon Educational Sessions
5:00 - 8:00 pm	Vendor Showcase Reception

Tuesday, September 26, 2006

7:30 - 8:15 am	Continental Breakfast
8:15-10:30 am	Morning Educational Sessions
10:30 am-Noon	Keynote Address and Brunch Dr. Bruce Weinstein, The Ethics Guy, is a professional ethicist whose interactive talks show how all of us can make better decisions using four simple steps.

THANK YOU 2006 SPONSORING FIRMS!

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Sikich LLP
Speer Financial, Inc.
Standard & Poor's Ratings Group
State Bank of Countryside
US Bank
Virchow, Krause & Company, LLP
Washington Mutual
Wolf & Company LLP

SUNDAY

Time	Leadership	Hot Topic in Government Finance	Management
3:30-4:30 pm	**Assistants Network Session** Speaker: Peg Hartnett, Village of Bloomingdale Session description: Come and join us to network with your fellow professionals on pertinent topics. This is an opportunity to establish your own personal network among other GFOA members.	**DROP** Speaker: Stan Helgerson, Village of Carol Stream Joe McCoy, Illinois Municipal League Sandor Goldstein, Goldstein and Associates Session description: Explore the ups and downs of DROPs and learn how this retirement benefit could be structured for cost neutrality. DROP is expected to resurface in the 2007 legislative session. Earn 1 CPE Credit	**Associates Forum** Speaker: Fred Lantz, Sikich LLP Session description: Discover the myriad ways IGFOA Associate Members can support professional public finance management. Share tips for working with the public sector.

MONDAY

Time	Management	Hot Topic in Government Finance	Accounting
9:00-10:00 am	**Leadership Dialogue** See description on previous page Earn 7 CPE Credits	**How to Communicate Your Budget Message** Speaker: Julie Zolghadr, City of Springfield Earn 1 CPE Credit	**Advanced Governmental Accounting** See description on previous page Earn 7 CPE Credits for day 1
10:15–1:15 am 11:30--12:30 pm		**Contract Oversight** Speakers: Dave Fierke, Village of Richton Park Dan Letourneau, Risk Management Services John Murphey, Murphey & Coblentz Earn 2 CPE Credit	
1:30--2:30 pm		**The Current Interest Rate Environment** Speaker: Ivan Samstein, LaSalle Financial Services, Inc. Earn 1 CPE Credit	
2:45-3:45 pm		**Troubled Credits vs. Pressured Credits — A Rating Agency View** Speaker: John Kenward, Standard & Poor's Earn 1 CPE Credit	
4:00-5:00 pm		**The Bond Rating Process** Speaker: Melanie Shaker, Fitch Ratings Earn 1 CPE Credit	

TUESDAY			
Time	**Management**	**Hot Topic in Government Finance**	**Accounting**
8:15-9:15 am	**Succession Planning** Speaker: Carol Arneson, Virchow Krause Earn 1 CPE Credit	**Technology Advancement for Investments** Speaker: Sofia Anastopoulos, GFOA Earn 1 CPE Credit	**Advanced Governmental Accounting, continued** See description on previous page Earn 2 CPE Credit for day 2
9:30-10:30 am	**Red Flags of Fraud in Government** Speaker: Emyln Neuman Javornik, Crowe Chizek and Company LLC Earn 1 CPE Credit	**Preparing High Quality Budget Documents** Speaker: John Fishbein, GFOA Technical Services Center Earn 1 CPE Credit	
10:30 am-Noon	**Brunch and Keynote Address: Bruce Weinstein, Ph.D., the professional ethicist known as The Ethics Guy.** Earn 1.5 CPE Credits in Ethics		

Registration fees

IGFOA member registration

Includes all meals listed in conference schedule
Register now through Aug. 25: $255.00
Register Aug. 26 to Sept. 15: $270.00
Register after Sept. 15: $295.00

Non-member registration

includes all meals listed in conference schedule
now through September 26 -$320.00

Leadership Dialogue – additional $30.00 includes book

Golf outing fees:

IGFOA member through Sept. 15 - $75.00 IGFOA member after Sept. 15 - $85.00. Non-member - $95.00

Exhibit Booth Fee:

Each person working at the booth must register individually in addition to the booth fee.

IGFOA member rate: $450. Non-member rate: $900

Register online at www.igfoa.org

Top 10 management characteristics of highly rated credits in U.S. public finance

By Primary Credit Analyst Robin Prunty and Secondary Credit Analyst Karl Jacob, Standard & Poor's

Standard & Poor's Ratings Services has widely disseminated information to investors and issuers outlining how a credit rating is established in U.S. Public Finance. We have also developed representative ranges for key ratios that factor into tax-backed credit quality. These ratios are the foundation of the quantitative measures Standard & Poor's uses when establishing a credit rating. Ratios and comparisons are used to fine-tune credit analysis and help to make credit distinctions. For bond issuers, credit ratios are often used as a framework for making comparisons, with the focus often on improving a credit rating.

In addition to quantitative factors, qualitative information factors heavily into credit analysis. Management factors, administrative characteristics and other structural issues facing a government entity can be an overriding factor in a rating outcome. Management can contribute significantly to many of the individual credit ratios and can positively affect ratings in a number of ways. Conversely, the lack of strong management can be a significant factor in a weak credit profile. The economy will play a key role in determining a rating category, but management will be one of the deciding factors in fine-tuning the rating. The management or administrative structure of a government can move a rating up or down more significantly and swiftly than any other element of a credit review.

When assessing management, Standard & Poor's includes analysis of the political framework that governs it, as well as the day-to-day management staff. There could be a strong management team in place, but if there is political instability or lack of political will to make difficult decisions, management will be ineffective in many cases. Standard & Poor's also focuses on the "whole of government." Oversight and management controls covering all of the disparate operations of a government with a focus on accountability at each department or function are critical to strong credit rating.

The "Top 10" list of management characteristics associated with Standard & Poor's highly rated credits is generally applicable to other enterprise operations of government such as water, sewer, or solid waste. The relative importance of these factors may vary from credit to credit. It is important to remember that credibility is an important part of a rating review process and management assessment. Every government has challenges. Identifying problems or issues, and detailing how these will be addressed establishes credibility and greater transparency in the rating process.

1. An established rainy day/budget stabilization reserve

A formalized financial reserve policy is a consistent feature of most of Standard & Poor's highly rated credits. It has been standard operating procedure for some governments for decades. Others focused attention on this following the recession of the early 1990s, and again in 2001 when many regions of the country experienced sustained revenue weakness that required severe budget reduction measures. Reserves provide financial flexibility to react to budget shortfalls or other unforeseen circumstances in a timely manner. No one level or type of reserve is considered optimal from Standard & Poor's perspective. Many different types of reserves have factored into an improved government credit profile. Some important considerations when establishing a reserve are:

- The government's cash flow/operating requirements;
- The historic volatility of revenues and expenditures through economic cycles;
- Susceptibility to natural disaster events;
- Will the fund be a legal requirement or an informal policy;
- Are formal policies established outlining under what

circumstances reserves can be drawn down; and

- Will there be a mechanism to rebuild reserves once they are used.

It is important to keep in mind that use of budget stabilization reserves is not in and of itself a credit weakness. The reserves are clearly in place to be used. A balanced approach to using reserves is important in most cases, however, because full depletion of reserves in one year without any other budget adjustments creates a structural gap in the following year if economic trends continue to be weak.

2. Regular economic and revenue reviews to identify shortfalls early

Having a formal mechanism to monitor economic trends and revenue performance at regular intervals is a key feature of stable financial performance. This is particularly true if a government relies on income tax or consumption-based taxes that respond rather quickly to economic fluctuations. Evaluating historical performance of certain revenues is important to this analysis because each government will have different leading or lagging economic indicators that signal potential revenue variance issues based on their economic structure. The earlier revenue weakness is identified in the fiscal year, the more effective the budget balancing response can be. It is important to monitor upside growth as well. A surge in revenues is important to understand as well to determine if the trend is an aberration or something that is likely to sustain and require a mid-year adjustment.

3. Prioritized spending plans and established contingency plans for operating budgets

Contingency planning should be an ongoing exercise for governments. Budgets tend to inflate in good times: governments will expand services, fund generous employee pay packages, and accelerate financing for quality-of-life projects that would never be considered in a slow growth or declining economic environment. It is good public policy to have contingency plans and options to address budget imbalance when it occurs.

This would include an analysis of the following:

- What part of the budget is discretionary;
- What spending areas can be legally or practically reduced;
- The time frame necessary to achieve reductions of various programs;
- Where revenue flexibility exists; and
- A course of action on the revenue side under various economic scenarios.

4. A formalized capital improvement plan in order to assess future infrastructure requirements

Highly rated credits will have a long-term capital improvement program that comprehensively assesses the infrastructure requirements of the government and a plan to fund these requirements over a five-year (or longer) time frame. Having a realistic plan that is comprehensively developed and updated annually is a requirement of all highly rated local governments. Developing these programs for state government is difficult because the scale of projects and the scope of responsibilities are so broad. Many have accomplished this task despite these obstacles, which is a positive credit factor. It is also important to incorporate the impact of capital projects on the operating budget for the short- and long-term. Governments have been moving into nontraditional projects, whether they are economic development (contributing infrastructure to a developer or industry) or quality of life (stadiums). These projects come with an upfront budget cost, but can have multi-year budget impacts. Projects can be sold as self-supporting, but may potentially be a drain on taxing resources.

5. Long-term planning for all liabilities of a government, including pension obligations, other post employment benefits and other contingent obligations would be optimal and allow for comprehensive assessment of future budgetary risks

This area of analysis should be comprehensive and include the “whole of government” approach. The nature of government services can create unexpected contingent obligations, or "off balance sheet" liabilities that could ultimately affect taxing resources. Unfunded pension liabilities have been disclosed in detail for years and this disclosure has enhanced the transparency of funding obligations in both the current year, and future years. Disclosure of this liability has also focused attention and planning on ways to improve funding levels. The new GASB Statement 45 requiring disclosure of liabilities associated with other post employment benefits (OPEB) will highlight some significant future liabilities for many governments. Given the rate of growth in health insurance costs and current demographic trends, greater transparency in this area will allow for advance development of funding and management solutions. Other areas of government operations and services have also resulted in budget pressure that may fall out of the traditional general fund focus. Hospital and nursing home operations, as well as various other enterprise operations have caused funding challenges at the local level, even when there is no clear legal responsibility for the government to provide funding. At the state level, local government fiscal difficulties can increase and become a funding challenge for the state.

6. A debt affordability model in place to evaluate future debt profile

Recently, state and local governments have developed debt affordability models. The impact of these models on a long-term credit rating will be dependent on how the model is established and used by the government, and the track record in adhering to the affordability parameters established in the model. There is no question that the process enhances the capital budgeting and related policy decisions regarding debt issuance and amortization.

7. A pay-as-you-go financing strategy as part of the operating and capital budget.

Pay-as-you-go financing can be a sound financing policy. Not only does it lower debt service costs, but also it provides operating budget flexibility when the economy or revenue growth slows. This is a more significant financing option when tax revenue growth in many areas can be considered extraordinary. A better match can be achieved between non-recurring revenues and non-recurring expenditures if this type of financing is used.

8. A multiyear financial plan in place that considers the affordability of actions or plans before they are part of the annual budget.

It is important that this plan is comprehensive. During a sustained economic recovery, program enhancements and tax reductions are natural. Pension funds that performed at record levels can provide incentive to expand or enhance benefits. As these program enhancements and tax reduction programs are incorporated on a long-term basis, it is important that management and elected officials understand the implications of any funding change. Elected officials will be ultimately responsible for the decisions necessary to restore out-year budget balance. Multiyear planning can be an important part of this process. The reality of government finance today is that even when there is legal authority to raise taxes, there may not be a practical ability to do so because it is politically unpopular. Standard & Poor's realizes that the out-years of a multiyear plan are subject to significant change. They provide a model to evaluate how various budget initiatives affect out-year revenues, spending and reserve levels. These plans will often have out-year gaps projected, which allows governments to work out, in advance, the optimal method of restoring fiscal balance.

9. Effective management and information systems

Investing in systems that improve the efficiency and effectiveness of a government unit and enhance overall service delivery is a positive financial management tool. Investment in financial management and information technology infrastructure has been significant during the past decade. To the extent that these changes improve financial reporting and monitoring capabilities, they enhance transparency and are viewed as a positive credit factor.

10. A well-defined and coordinated economic development strategy

Economic development programs have expanded rapidly over the last 20 years. The question for state and local governments now is not whether there should be a formal economic development program, but rather how significant a resource commitment should be dedicated to running these programs and offering incentives. These are clearly government policy decisions involving cost benefit analysis that are generally outside the credit rating process. However, if these economic development programs and strategies create employment, enhance diversification, and generate solid income growth, they could have a positive effect on a government credit rating over the longterm. To the extent that there is a net revenue benefit to a government, it could also be a positive credit factor. Economic development strategies have increasingly become regional in nature and there has been a more coordinated approach between state and local governments.

This report was reproduced from Standard & Poor's RatingsDirect, www.standardandpoors.com/ratingsdirect. Primary Credit Analyst Robin Prunty can be reached at 212-438-2081, robin_prunty@standardandpoors.com; Secondary Credit Analyst Karl Jacob can be reached at 212-438-2111, karl_jacob@standardandpoors.com.

UTILITIES

Project Lightspeed: Franchise considerations

AT&T is attempting to dramatically change the face of home entertainment by introducing an internet based television service, known as Project Lightspeed, which they hope to deploy to 18 million households across 13 states by the end of 2007. This hope includes deploying the service in 15 to 20 Illinois communities by the end of 2006. While the deployment of this new technology has brought a lot of excitement, it also has raised a lot of issues and concerns for local governments.

The major concern for local governments is the control they have over the deployment of Project Lightspeed. In the current Illinois telecommunication environment, local governments have authority to issue franchise rights to cable companies and control municipal rights-of-way. These franchise agreements provide communities with revenues, local broadcasting access, and oversight. AT&T believes that their new service is exempt from existing laws regulating local franchise agreements. A local franchise agreement can provide roughly a quarter of a million dollars, depending on the size of the community. The potential loss of revenue and control has caused a number of Illinois municipalities to pass ordinances putting a temporary moratorium on construction of utility boxes associated with Project Lightspeed's upgrade of the AT&T network. These communities are attempting to slow down the process while they can examine the issue. In response, AT&T is suing the seven Illinois municipalities of Wheaton, Roselle, North Aurora, Geneva, Wood Dale, Itasca, and Carpentersville over the right to upgrade their network.

On the other hand, not all communities are shying away from Project Lightspeed. The City of North Chicago and AT&T have reached an agreement that will make Project Lightspeed's "U-Verse TV" available within 18 months. AT&T provided the city with a number of financial incentives that mimic a franchise agreement. The city believes that by working with AT&T their residents will benefit from the new technology. Consequently, the response of Illinois municipalities to Project Lightspeed has been inconsistent as each community examines the new technology.

The issue of Project Lightspeed and local franchise agreements is further complicated by Federal legislation being examined in the House and Senate. The House has already passed a bill that would eliminate local franchise agreements replacing them with national franchise licenses. The Senate is now debating the issue as local government advocates lobby to protect local authority in telecommunication issues. With a national franchise system, some in Congress believe that more competition would arise. Local advocates fear that the market does not allow for true competition and that local oversight is necessary, especially when dealing with equitable deployment and rights-of-way. Consequently, regardless of how Project Lightspeed is ultimately designated, municipalities may loose control not only over the new technology but also the existing cable networks.

Understanding wireless communications

Excerpted from the Lake County Forest Preserve *Information Technology-Strategic Plan for District,* available at the IGFOA Resource Center at www.igfoa.org.

Infrared

- IrDA devices use infrared light emitting diodes (LEDs) to transmit signals between devices
- Requires direct line of sight between devices
- Short range exchange of data such as between a computer and printer

Bluetooth

- Bluetooth — an industrial specification for wireless personal area networks (PANs). Bluetooth provides a way to connect and exchange information between devices like personal digital assistants (PDAs), mobile phones, laptops, PCs, printers and digital cameras via secure short range radio frequency
- Practical Application includes wireless mice, keyboards and headsets for cell phones

Cellular Technologies

- Cellular companies also offer data side of wireless market for Internet access
- Wireless data services such as EVDO and GPRS provide Internet access from handheld cellular devices
- Aircards can be purchased for PCs and allow Internet access for laptops via cellular networks

WI-FI

- Set of product compatibility standards for wireless local area networks(WLAN) based on the IEEE 802.11 specifications
- Wi-Fi was intended to be used for mobile devices and LANs but is now often used for Internet access
- It enables a person with a wireless-enabled computer or personal digital assistant (PDA) to connect to the Internet when in proximity of an access point
- The geographical region covered by one or several

access points is called a hotspot — often coffee shops now advertise these services

WIMAX

- Acronym that stands for Worldwide Interoperability for Microwave Access, a certification mark for products that pass conformity and interoperability tests for the IEEE 802.16 standards
- Standards-based wireless technology that provides high-throughput broadband connections over long distances
- Practical Application — wireless metropolitan area network (MAN) technology that can connect IEEE 802.11(Wi-Fi) hotspots with each other and to other parts of the Internet and provide a wireless alternative to cable and DSL for last mile broadband access
- Primary application would be for wireless Internet service providers—works well for outdoor broadband wireless

THE CPA DESIGNATION

What the CPA designation really means

By Chris Staron, NIU Graduate Intern, IGFOA

To the regular citizen or even village manager, the CPA designation probably signifies one thing: Certified Public Accountant. However, those in the finance industry know between certification, licensure, registration, exams, experience, and educational requirements that all CPAs are not the same. A bevy of legislative changes in the last six years in Illinois, aimed at raising standards, have further complicated the designation. The chart that follows will attempt to sort through the differences.

This chart may seem quite clear, but one has to realize that existing CPAs are exempt from certain criteria because of grandfathering clauses. An individual who became a certified CPA before 2001 would not be subject to the 150 hours educational requirement or have to take the professional standards exam. Consequently, the meaning behind a CPA designation may be harder to ascertain than one might think.

In addition, beginning in 2010, all new Certified Public Accountants will have to be licensed; however, this will not end the different distinctions because existing registered CPAs will be grandfathered and not subject to the licensing requirement. There is hope that in 100 years, all registered CPAs will be retired, and all practicing CPAs will have to follow the standardized licensee procedure, but that relies on Springfield not making any further changes.

In January 2006, IGFOA became a member of the National Association of State Boards of Accountancy (NASBA) National Registry of CPE Sponsors. The National Registry has rigorous standards for program development and review.

By joining the National Registry, IGFOA is demonstrating its commitment to providing the highest quality CPE possible.

Criteria	Certified	Licensed
Education	150 hours of Accounting Education (required only after 2000)	150 hours of Accounting Education (required only after 2000)
Experience	No experience required	1 year of experience required
Exams	Pass Uniform CPA Exam	Pass Uniform CPA Exam
	Pass Professional Conduct Exam (required only after 2004)	Pass Professional Conduct Exam (required only after 2004)
Fees	Registration fee of $90 every three years (NEW in Oct. 2006)	Renewal fee of $120 every three years
CPE	No CPE requirements	120 CPE hours every three years (starting Oct. 2006, 4 Ethics CPE)
Services	Cannot provide audits and reviews	Can provide audits and reviews

Chris Staron, Graduate Intern with IGFOA is working on his Masters in Public Administration at Northern Illinois University. Chris earned an undergraduate degree in History and Political Science from the University of Notre Dame. Chris can be reached at cstaron@igfoa.org or 630-663-0019.

Links for CPAs

CPA registration:
http://www.idfpr.com/dpr/apply/pareg.asp
http://www.icpas.org/icpas/legislative/newlaw.asp

CPE offering:
http://cpemarket.nasbatools.com/index

NASBA CPE Tracker:
http://cpetracking.nasbatools.com/index

Get a jump on new requirement to earn CPE hours in Ethics at the Annual Conference Keynote Brunch!
See details in the Conference section of this newsletter.

Assistants and Professional Staff Network

By Trisha Steele, Finance Director, Village of Round Lake Beach

Getting involved in IGFOA helps ensure that you are receiving the most out of your membership. If you are simply paying dues year after year, then you are missing out on a multitude of opportunities.

What benefits do you receive when you are active in the Association?

By participating in IGFOA training events, you gain a greater understanding of regular finance responsibilities. At times, we all fall prey to focusing exclusively on our day to day activities. IGFOA not only teaches you how to accomplish these activities, but it also enlightens you to the principles behind them. Consequently, you not only know how to do things, but you understand why you do them. In addition, through IGFOA you examine alternative methods for conducting activities. You learn these new methods from educational sessions and from other members. Actively attending seminars and participating on committees opens you to the vast professional knowledge available within the association.

IGFOA not only improves your ability to perform your job, but helps advance your career. Getting involved in a committee or chapter introduces you into a network of finance professionals. Familiarity with others in the field will help you when you are looking for a chance to advance. In addition, your hard work on a committee can leave an impact on a future employer or provide valuable references. You also attain the confidence and skills needed to advance in the profession. If advancement of your career and enhancement of your talents were not enough, being active in IGFOA also contributes to your personal well-being. It can become quite easy to fall into routines and the daily grind of work. An unappreciative supervisor may drag you down. Becoming involved in IGFOA provides relief and valuable perspective. Being part of the professional finance community provides support for a demanding job. Within the community, you are surrounded by individuals who understand the challenges you face and appreciate professional competence.

Next networking session at the Annual Conference on Sunday, September 24 from 3:30 to 4:30 pm.

Trisha Steele is Finance Director for the Village of Round Lake Beach. She presented this information to the IGFOA Assistants and Professional Staff Networking luncheon on May 12 at the Westmont Centre.

Support Staff Appreciation Luncheon

The IGFOA Membership Committee hosted a luncheon for local government finance support staff at Entourage in Schaumburg on Friday, May 19. In addition to a scrumptious lunch and lively exchange, attendees competed at IGFOA Jeopardy. Test your savvy below:

A: He was our 16th President who said, "I don't believe in a law to prevent a man from getting rich: it would do more harm than good."

A: In this song, Steve Miller sang, "This is a song about Billy Jo and Bobby Sue, two young lovers with nothing better to do."

Q: Who is Abraham Lincoln?

Q: What is "Take the Money and Run?"

Not getting your IGFOA emails?

IGFOA uses three main services to contact members.

- **Memberclicks** is used to send mass mailings, such as jobline, event notices, and association updates.
- **Constant Contact** is used to send the monthly *Dispatch* newsletter, seminar information, and special alerts.
- **Zoomerang** allows members to participate in online surveys and seminar evaluations.

If you are not receiving emails from these sources, then you are unable to take advantage of all the services IGFOA provides.

There are a couple of reasons why you might not be receiving emails. First, your email may be entered incorrectly in the membership directory. Log into the directory to check that your email is entered accurately. Second, your email service may be filtering out messages from IGFOA sources accidentally. Make sure that your email is accepting messages from:

- constantcontact.com;
- confirmedcc.com;
- roving.com;
- memberclicks.com;
- zoomerang.com; and
- custhelp.com

TARC offers new resources online

The IGFOA Technical Accounting Review Committee (TARC) has new resources at www.igfoa.org,TARC_update.html:

- The IGFOA Guide to Selecting an Auditor;
- GASB 40 FAQs;
- GASB 43 & 45 FAQs;
- TARC meeting updates; and
- Other items, including responses to financial reporting issues.

New at the Resource Database

- *Selecting an Auditor Guide* and the *Selecting an Auditor Guide: Sample RFP* were authored by the Technical Accounting Review Committee (TARC). The committee, made up of experienced public and private sector members, put its expertise into action in creating a guide specifically designed for IGFOA members. Take advantage of this resource the next time your organization looks for an auditor.

- Browse four communities' Request for Proposals (RFP) for Utility Billing printing and mailing services provided by
  - Village of Libertyville
  - Village of Orland Park
  - Village of Lombard
  - Village of Villa Park

- Request for Proposals (RFP) for Financial Software provided by the Village of Villa Park

- Request for Proposals (RFP) for Municipal Business Software provided by the Village of Villa Park

Find 137 different resource files in the IGFOA Resource Database at: http://www.igfoa.org/resource/resource_search.asp

IGFOA Public Finance Law Seminar

Friday, August 25
9:00 am–4:00 pm
Westmont Centre

Registration: 8:30-9:00 am
Member Fee: $95.00
Non-member fee: $170.00

Continental breakfast, breaks, lunch, and materials are included in the fee.

Anticipated schedule of events

Moderators: Kathy Thomas and Doug Cooper

Session A : 9:00 to 10:15 am
TIF District Issues with Patricia M. Curtner, Chapman and Cutler

Session B: 10:30 am to Noon
Eminent Domain Issues with Scott Day, Day & Robert, P.C.

Session C: 1:00 to 2:15 pm
Gift Ban Act/ including Issuing Bonds and Prohibited Behaviors with Lynda Given, Chapman and Cutler and John Izzo, De Tella & Petrarca, LLC

Session D: 2:30 to 4:00 pm
Fraud and related issues with Emlyn Neuman-Javornik, Crowe Chizek

For more information and online registration, visit www.igfoa.org.

Affordability Index

A tool to use information to drive housing and transportation markets

On June 29 the Center for Neighborhood Technology and Chicago Rehab Network sponsored a forum on Housing + Transportation: Moving the Region Toward Greater Affordability to discuss how housing and transportation affect the overall affordability of the Chicago region.

The Affordability Index provides a useful tool for a variety of groups actively investing in and planning affordable and mixed-use developments. Overall, the index clearly suggests the need for improved coordination and planning between housing and transportation policies and investments. Considering both factors during decision making, families and public officials can make better decisions about the trade offs, overall costs of living, and cost of providing government services for different locations.

Download the Affordability Index at http://www.cnt.org/repository/AffordabilityIndexBrief.pdf and find information on the Center for Neighborhood Technology at www.cnt.org/

2006 IGFOA calendar

Saturday, September 23
IGFOA Volunteer Leader Appreciation Dinner

Sunday, September 24-Tuesday, September 26
IGFOA Annual Conference

Friday, October 13
Procurement Protests – They Can Happen to You — MAPP

Friday, October 20
Chicago Metro Chapter Session & Luncheon

Wednesday, October 25
Understanding Internal Controls

Friday, October 27
South Metro Chapter Meeting and Seminar

Wednesday, November 1-Friday, November 3
Train the Trainers

Friday, November 3
South Metro Chapter Board Meeting and Social Event

Tuesday, November 14
Basic Governmental Accounting Seminar

Wednesday, November 15
Basic Local Government Budgeting Seminar

Monday, November 20
TARC Meeting

Friday, December 1
South Metro Chapter Meeting and Holiday Luncheon

Tuesday, December 5
Career Development Team Leaders Meeting

Wednesday, December 6
Payroll Seminar

Friday, December 8
Chicago Metro Holiday Luncheon

Watch for details, or visit www.gfoa.org