



the dispatch

members' update from the Illinois Government Finance Officers Association



Lost opportunities and unseen risks loom when investing without intention

by Kurt Summers, Chicago City Treasurer

It is easy to overlook the work of municipal and state treasuries. For the most part, these offices exist in the innocuous background of government operations. A treasurer spends a good amount of time monitoring fund balances, maintaining reserves, and shuttling around short-term investments in between collecting revenue and paying bills.

This is not the first place people would naturally look for government innovation or for resources to address global concerns such as data insecurity, workplace protections, climate change, corporate board diversity, and dozens of other hot button issues.

But consider this: The combined holdings of all city, county, and state treasuries – not including pension funds – total more than \$3.1 trillion in financial assets in the United States. Although these are primarily short-term and fixed-income investments, they have an inordinate impact on financial markets. Fixed-income offerings in 2017 totaled \$7.6 trillion – eleven times the value of all the equity underwriting that year.

So as a huge buyer of these securities, given the proper tools, the combined influence of

government investors is a sleeping giant in terms of advancing innovative public policy.

Clearly, though, the primary concern for any treasurer has to be as a fiduciary to protect and responsibly invest the people's money. An important part of that duty includes taking into consideration all material information available when making investment decisions, which no longer just includes the traditional metrics of credit quality, duration, and yield.

This is why the City of Chicago has embraced Environmental, Social and Governance (ESG) integration as part of our overall portfolio strategy.

ESG Integration for Government Fiduciaries

After nearly two years of extensive analysis and review of best practices from some of the world's largest investment managers, my office has integrated ESG factors into all of our investment decisions on corporate securities. This strategy builds on our existing investment portfolio standards and expands

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About the author



Kurt Summers

City Treasurer
City of Chicago

Kurt Summers is Chicago's 70th Treasurer, having taken office in December 2014. A native son of Chicago, Treasurer Summers manages the city's \$8 billion investment portfolio and is responsible for maintaining records and accounts of the city's finances. He sits on four local pension boards with nearly \$25 billion under management.

city.treasurer@cityofchicago.org

Phone: 312-744-3356

Sue Stanish reelected to IMRF Board of Trustees

Congratulations to Sue Stanish, Director of Finance, Naperville Park District, on her reelection to the IMRF Board as Executive Trustee. Sue's new term runs from January 1, 2019 to December 31, 2023. Sue has served on the Board since 2014.

Lost opportunities and unseen risks

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them to include a comprehensive evaluation of hundreds of factors including financial transparency, data security, strong governance, sustainable development, board diversity, incentive compensation, and more.

There are now volumes of empirical studies that attest to the fact that portfolios perform better when they invest in companies looking to the future; companies adapting to climate realities rather than ignoring them; companies embracing diversity rather than shunning it; and companies proactively choosing to respect workers rather than denigrate them. These values are not only intrinsic to Chicago's identity as a welcoming and forward-looking city, but are also innately material to financial performance.

In order to implement this vision of a portfolio focused on the sustainability and responsibility of our holdings, we have focused on four key goals.

First, we are applying these ESG factors to score all of our corporate securities. This involved developing a rating system that draws on the best available ESG data while weighting the factors to reflect our priorities.

Second, by analyzing these factors, we were able to establish and adopt a minimum ESG portfolio rating. Now, just as we do for credit ratings, duration, and yield, we have set a quantitative standard that we must maintain and be held to by our shareholders, who are the residents of Chicago.

Third, we have committed to the United Nations-supported Principles for Responsible Investment, the leading international initiative for responsible investment, and in doing so became the first city to make that commitment. The reporting standards and the resources available to us as members of this UN-supported movement ensure that our ESG model is independently reviewed – and that we are on the leading edge of the best practices in the field.

And fourth, we have promised to achieve a carbon-neutral portfolio by the year 2020, or sooner, by proactively searching for green bonds to finance renewable energy projects, Ginnie Mae loans to finance affordable housing,

and other socially responsible investment vehicles.

This total effort is a win-win proposition, generating better risk-adjusted returns while making an impact on the lives of Chicagoans each and every day. At this point, it is well-established in both market and regulatory practice that ESG factors are critically important to consider when maximizing risk-adjusted returns and protecting the interests of taxpayers.

But unfortunately our efforts, like any challenge to the status quo, have attracted their share of detractors. There is a common negative narrative about sustainable and responsible investing that has been parroted for decades. They say this is playing politics at the risk of public money. They say that investments are not a vehicle for meaningful social change. They say that this decision is driven by “political whim” rather than “fiduciary responsibility.”

To these and other criticisms, we cite study after study from the world's leading financial institutions and investment managers refuting each and every one.

ESG Trends

Our initiative in this area is backed by an extensive body of rigorous, independent research. A recent Barclays study found that, between 2009 and 2016, fixed-income portfolios with high ESG ratings were found to outperform their counterparts by an average of 2 percent cumulatively over a seven-year period. Similarly, a 2017 Morningstar analysis of the universe of managed funds they cover (the largest in the world) found that those evaluating ESG factors outperformed their peers. Even the U.S. Department of Labor – under both the Obama and Trump administrations – has stated that fiduciaries can incorporate ESG factors because, in many situations, they “present material business risk.”

The growing evidence to support this movement has convinced a vast majority of investors to adopt this strategy. First, according to a recent Morgan Stanley survey, 84% of asset owners are either considering this strategy or actively doing so. Second, according to a report just released by US SIF: The Forum

for Sustainable and Responsible Investment, one out of every four dollars of US-domiciled assets is now invested according to similar investment strategies – that's \$12 trillion in 2018, representing a 38% increase from 2016. And third, more than 2,000 entities have joined the United Nations-supported Principles for Responsible Investment, representing \$70 trillion in assets under management.

ESG v. Divestment

In Chicago, we have learned through this process that integrating ESG considerations into our investment decisions is not only part of our fiduciary responsibility but essential to its execution.

While we have focused on ESG as an investment strategy to address corporate behavior, it has been more common to see cities and states pursue divestment strategies. These are very different approaches.

The mayors of London and New York have declared recently that they will fully divest from all fossil fuel companies and called on other investors to do the same. This declaration makes for good headlines and talking points, but in the end lacks some of the nuance and sophistication that is critical to support long-term social change.

I favor the ESG model because, unlike divestment, it provides an incentive for companies to change their behavior—and includes hundreds of other variables that are important to a company's financial performance.

Carbon emissions, waste reduction, and other environmental factors should be considered alongside other ESG factors – because all of these factors carry the potential for massive impact on the long-term viability of a company. The data breaches at Equifax and Facebook, as well as the misrepresentation in incentive structure at Wells Fargo, are just a few examples that demonstrate why we need to account for a full range of ESG factors when building stronger companies, crafting better portfolios, and creating a better future for all of us.

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Lost opportunities and unseen risks

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Finally, ESG strategies are parallel efforts for investors that follow other more widely practiced corporate programs aimed at mitigating risk and improving long-term viability. Almost all major public corporations have instituted Corporate Social Responsibility (CSR) initiatives as part of their core business strategies. Our efforts are now aligning the mission of the City Treasurer's Office as an investor with the same goals for environmental sustainability, workforce safety, employee diversity, board governance, and community investment expressed by the vast majority of public companies. So with ESG, as corporations behave more responsibly, they are rewarded with better access to capital from investor – and investors are rewarded by less risk from these important issues.

The City of Chicago is pursuing a fiscally prudent and impactful role as a leader in changing the way we invest our government's capital. Although we are the largest city in the world to undertake these efforts, we see this as a rising movement throughout the country and around the world as it becomes evident that it is not just our desire to address these issues. Rather, it is our financial responsibility to account for them.

Join IGFOA for training in January and February, 2019

Details & registration at www.igfoa.org

Jan. 23: Lunch Crunch Webinar – **Are We Healthy? Interpreting Financial Statements and Using Budgets**

Feb. 1: **South Metro Chapter half-day seminar**, Tinley Park Village Hall

Feb. 7: **Governmental Accounting and Transparency Act (GATA) – How to Comply with the New Reporting Requirements**, Chicago Marriott Naperville

Feb. 12: **Basic Governmental Accounting Seminar**, NIU Naperville

Feb. 21-22: **Downstate Chapter Conference**, President Abraham Lincoln Springfield-DoubleTree

Feb. 27: **Chicago Metro Chapter – Active Shooter/Violent Intruder Response**, Shaw's Schaumburg

Volunteer spotlight



John Harrington

**Finance Director
Village of Minooka**

**IGFOA Executive
Board Liaison
to Membership
Committee**

“When I first started attending IGFOA meetings, I was told, ‘Now you have five people you know and can call on’ and my IGFOA experience grew from there,” recalls John Harrington. “I didn’t come from the municipal world, so it was helpful to make contacts from the start.”

“Volunteerism is key to getting the most out of your membership”

John’s involvement has helped him build strong relationships over the years. “Now when I go to a conference, there are over 100 people I know. Being part of committees makes a difference. When you’re on a committee you get to know people – so when you talk to someone, they’re not a stranger,” he says. “There are so many ways people can give even a little time or effort and make such a big difference. There are enough opportunities available that there’s always a way to get involved – from spending two hours at the front desk at the conference to being an officer in the organization. And volunteerism is the key to getting the most out of your membership.”

“Good volunteers are important to the organization”

Just as being involved benefits members, their participation is what makes the organization a well-oiled machine. “IGFOA runs so smoothly because it has great leadership and engaged volunteers,” John says. “There are a lot of people who donate time one way or another. When you have a focused, talented group like this, it’s easy to get things done.”

John’s long view of the organization has made him a fan of change. “It’s important to rotate in new blood,” he maintains. “The more people who are involved, the better. That’s how committees and the organization are able to weather change.”



Making it easy to be involved

“We try to bring in members who haven’t been involved. We invite people, zeroing in on something they’ll enjoy and asking them to try it out, assuring them it can be temporary if they’d like. It makes it easier to jump in when you know you are going to be supported, and there’s lots of support in IGFOA: most committees and subcommittees have five to ten people involved. And I don’t think there’s a single committee or subcommittee that doesn’t want help.”

How to take that first step? John says it’s easy: “A lot of meetings are via phone, so if someone wants to sit in before they join a committee or subcommittee, that’s usually fine. It’s such a great way to get acquainted with a group and how it functions.”

The Membership Committee supports new members

The Membership Committee welcomes new members by email with a list of resources, follows up with renewal reminders, and assists with planning and hosting the President’s New Member Reception at the Annual Conference with the Board and Committees.

“The Conference event is a nice welcome to the organization and offers new members a good networking opportunity and the chance to meet with the Board and committee members involved in the areas that may interest them.”

South Metro Chapter involvement

John has been involved with the South Metro Chapter for a number of years, serving in a variety of leadership positions. “The Chapter has a pretty consistent attendance at meetings,” John says. “Events are generally along the I-80 corridor with access from the expressway to make it easy for people to get there. All IGFOA members are welcome to attend any South Metro event.”

2019 IGFOA PEC training plan

The Professional Education Committee (PEC) met in May and November of 2018 to determine **the 2019 IGFOA training plan**. PEC is Chaired by Rachel Musiala, Finance Director, Village of Hoffman Estates.

IGFOA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE sponsors. Unlike training courses only accredited for CPE in the State of Illinois, IGFOA's training is accepted by State Boards of Accountancy in other States. Please note that the various State Boards of Accountancy have final authority on the acceptance of individual courses for CPE credit.

GET DETAILS ON TRAINING
AND REGISTER AT

IGFOA.ORG

TO GET THE MEMBER RATE,
REMEMBER TO SIGN IN
WITH YOUR USER NAME
AND PASSWORD

New Initiatives for 2019

PEC will offer **Lunch Crunch webinars** from Noon – 1:00 pm on various days during each month. The price of individual webinars was reduced from \$55 to \$30 for members. Be sure to check out the Weekly News and the IGFOA website for new webinars as they will be continuously added to the PEC schedule.

IGFOA will now offer the **Government Staff Member rate to non-member colleagues of Sustaining and Associate Partners!** Be sure to sign-in to get the reduced rate.

PEC will increase the number of hours of Ethics training offered throughout the year to assist Public Police and Fire Pension Trustees with meeting the annual eight-hour ethics training requirement of the Illinois Pension Code, *40 ILCS 5/1-113.18*.

Continuing PEC Initiatives

Downstate training events: PEC will continue to offer the Internal Controls and Basic Governmental Accounting seminars Downstate in alternating years. In 2019, Internal Controls will be offered Downstate, in the Rock River Region on May 9, 2019.

Illinois Public Pension Institute Parts I and II: PEC will continue to offer Pension Institute Parts I and II to assist Public Police and Fire Pension Trustees with meeting the 16-hour annual continuing education requirement as defined by the Illinois Pension Code, *40 ILCS 5/1-109.3*.

Attention all IGFOA members: Interested in presenting at a PEC seminar or webinar? Have an idea for a training topic?

Contact Rachel Musiala, PEC Chair, at rachel.musiala@hoffmanestates.org

Date	Program	Time	Est. CPE	Format	Location
1/23/19	Are We Healthy? Interpreting Financial Statements and Using Budgets Lunch Crunch Webinar	Noon – 1:00 pm	1.0	webinar	on-line desktop
2/7/19	GATA – How to Comply with the New Reporting Requirements	10:00 am – 2:00 pm	3.0	in-person	Chicago Marriott Naperville
2/12/19	Basic Governmental Accounting Seminar	8:30 am – 4:30 pm	8.0	in-person	NIU Naperville
3/7/19	Debt Lunch Crunch Webinar	Noon – 1:00 pm	1.0	webinar	on-line desktop
3/20/19 & 3/21/19	Illinois Government Finance Professionals' Academy I	8:30 am – 4:30 pm	15.0	in-person	NIU Naperville
4/11/19	Illinois Public Pension Institute Part I	8:30 am – 4:30 pm	8.0	in-person	NIU Naperville
4/18/19	Accounts Payable Lunch Crunch Webinar	Noon – 1:00 pm	1.0	webinar	on-line desktop
5/2/19	Cash Management Lunch Crunch Webinar	Noon – 1:00 pm	1.0	webinar	on-line desktop
5/9/19	Internal Controls	8:30 am – 4:30 pm	8.0	in-person	Rockford
6/19/19 & 6/20/19	Intermediate Governmental Accounting Seminar	8:30 am – 4:30 pm	14.0	in-person	NIU Naperville
6/27/19	Utility Billing Seminar	9 am – 4 pm	6.5	in-person	NIU Naperville
8/15/19	Revenues Lunch Crunch Webinar	Noon – 1:00 pm	1.0	webinar	on-line desktop
9/8/19 – 9/10/19	Annual Conference		12.0	in-person	Bloomington/Normal
10/17/19	Accounting & Financial Reporting Lunch Crunch Webinar	Noon – 1:00 pm	1.0	webinar	on-line desktop
10/24/19	Payroll Seminar	8:30 am – 3:30 pm	6.5	in-person	NIU Naperville
11/14/19	Illinois Public Pension Institute Part II	8:30 am – 4:30 pm	8.0	in-person	NIU Naperville
12/19/19	CPFO Lunch Crunch Webinar	Noon – 1:00 pm	1.0	webinar	on-line desktop
	Total		95.0		

Out and about with the IGFOA: Holiday highlights

Downstate Chapter, Rock River Region

The Downstate Chapter, Rock River Region celebrated November 29 at the Tavern on Clark with a presentation from Sean Rager and Kim Falco of Asset Control Solutions: *Best Practices for Managing Capital Assets*.



Chicago Metro Chapter

On November 30, the Chicago Metro Chapter hosted its holiday party at Harry Caray's in the Westin Hotel, Lombard. The Chapter sponsored the Epilepsy Foundation as its charity.



Epilepsy Foundation Greater Chicago

Did you know that 1 in 26 adults can develop epilepsy in their lifetime? Learn seizure first aid! The Epilepsy Foundation of Greater Chicago provides free training on seizure recognition and first aid.

Contact [Ayesha Akhtar](#) or click [here](#) to learn more.



Holiday highlights *continued*

South Metro Chapter

The South Metro Chapter held its holiday event on December 7 at Balagio Ristorante – Homewood. The Chapter’s sponsored charity was the Northern Illinois Food Bank.



Downstate Chapter, Central Region

The Downstate Chapter, Central Region celebrated December 14 at Medici’s in Normal with a presentation by professional synergist Loren Sanders on the topic of work-life balance.



It's time to renew

Dues for Public Sector Members and Partners can be renewed online NOW by the Primary member

Public Sector Membership dues

Public sector membership dues include one primary membership at a base rate determined by population as of the most recent US Government census. Once a government renews the primary membership at the base rate, unlimited additional IGFOA memberships can be added for staff members at \$100 per membership.

Population	Rate
Under 5,000	\$150
5,000 – 14,999	\$200
15,000 – 24,999	\$250
25,000 – 74,999	\$300
75,000 – 124,999	\$400
125,000+	\$500

Have you voluntarily left the workforce?

Are you currently unemployed as a result of being in-between positions or meeting family or personal responsibilities? If so, consider renewing your IGFOA membership under the category "Temporarily Left the Workforce". This category is intended to help government finance professionals in transition to maintain their IGFOA membership.

Retired Membership

The Membership Committee reviewed the Retired Membership criteria earlier in 2018. The Committee recommended changes in the membership requirements, which were approved by the Executive Board in May 2018. Retired Membership may be held in the IGFOA by an individual who meets all the retired membership requirements listed below. Current retiree members must certify each year that they meet the membership requirements by completing the Retiree Status Form and returning it to IGFOA.

Facilitating an efficient renewal process for all members

If paying online, the membership renewal process will proceed most efficiently if primary members review and update their list of members and related profiles before paying.

IGFOA emailed 2019 membership dues renewal notices for Public Officials, Temporarily Left the Workforce, and Retired Members in December.

IGFOA dues for 2019 are unchanged and cover the calendar year of January through December.

On-line renewal is easy but must be done by the Primary member. Primary members sign-in to their accounts on the IGFOA website using the link in the mail notice.

As a reminder, sign-in to your IGFOA member account with your User-ID (email address) and Password, then click on the link "Your Profile" at the top right of the page.

Policy Criteria for Retired Membership:

- ▶ Individual was a member of IGFOA in good standing prior to retirement; and
- ▶ Is not currently working more than 500 hours per calendar year.

Retired members are non-voting members of the Association.

IGFOA Retired Membership benefits:

- ▶ Listing in the IGFOA Directory;
- ▶ The IGFOA *Dispatch* newsletter and IGFOA *Weekly News*;
- ▶ Access to the IGFOA on-line directory;
- ▶ Member rate for all IGFOA seminars; and,
- ▶ Retiree rate for the Annual Conference.

Public Sector membership questions?

Public sector members with questions on renewing dues can contact the Membership Committee directly or email info@igfoa.org with questions. A list of Membership Committee members can be found at <http://www.igfoa.org/about/committees/5/membership-committee>

Sustaining and Associate Partner Membership Dues

IGFOA mailed 2019 membership dues renewal notices for Sustaining and Associate Partners in December. Membership dues for Sustaining and Associate Partner members vary by the level of membership.

- ▶ Sustaining Partner dues remain at \$4,800 for two members – the primary member and one additional member. Unlimited additional memberships beyond the two included are available for \$200 per membership.
- ▶ Associate Partner dues remain at \$2,700 for the primary member. Unlimited additional memberships are available for \$225 per member.

Partner membership questions?

Sustaining and Associate Partners with questions on renewing dues can contact a member of the Partners' Forum directly or email info@igfoa.org. A list of Partners' Forum members can be found at <http://www.igfoa.org/about/committees/2/partners-forum>

Individual Member Dues

Employed members not eligible to join as a public sector member or as part of the Partner Program may renew as an Individual Member. Individual Member dues remain at \$600 for one primary membership.

Attention Sustaining and Associate Partners:

The Partners' Forum will be evaluating Partner Program levels and the corresponding benefits in 2019. If you have suggestions on how to add value to an IGFOA Partner membership, please contact a [Partners' Forum member](#).

Looking forward to a multiyear financial forecast

by Matthew Prozaki, Sr. Account Executive-National Sales, Forecast5 Analytics, Inc.

Executing a multiyear financial projection can be a time consuming and complicated process, especially if you are starting the process for the first time. However, city officials approaching this type of project with a strategic perspective will understand a financial projection is more than just a spreadsheet. It's a road map to your Municipality's future and managing that roadmap proactively, or not, can be the difference between success or failure.

A detailed multi-year financial forecast can produce tremendous value for a community – beyond the tables, charts, and graphs that are generated as output. The primary benefits of using a multiyear financial forecast include:

- ▶ Strategic alignment of resources with long range goals;
- ▶ Measurement of historical performance to inform future decisions;
- ▶ Communication of challenges and opportunities facing the community;
- ▶ Budget performance analysis; and
- ▶ A path to financial transparency.

Strategic alignment of resources with long range goals

The process of developing a multiyear forecast requires time and resources – the first critical step being the collection of information and input from a wide range of sources. A projection of this nature cannot be done properly without communication throughout the organization. The ensuing collaboration between city personnel, elected officials, and outside parties fosters a better understanding of the end product, allowing a valuable perspective to be incorporated into the forecast, and increasing the level of buy-in for a finalized plan.

Measurement of historical performance to inform future decisions

Many times, the process of looking forward can be enhanced by looking at previous financial performance and historical metrics.

Using historical data to inform future assumptions can be valuable. More so, historical review provides an opportunity to examine performance of budget versus actuals. The historical data can play a critical role in setting accurate assumptions about the future, making the forecast more valuable in the decision making process.

Communication of challenges and opportunities facing the community

Local governments routinely face an increasing range and level of expectations, while past and expected federal and state actions constrain financial resources and options. In effect, city officials are asked to “produce more with less” while making those decisions with 20/20 foresight. A well-constructed financial projection can facilitate deeper understanding and communication with stakeholders around organizational challenges and opportunities.

Budget performance analysis

Creating a budget is a grueling process with many steps, but an important one. Not only is it legally required in most instances, but it's an important short-term road map for the next 12-months. The next step in the process is evaluating how that budget is performing.

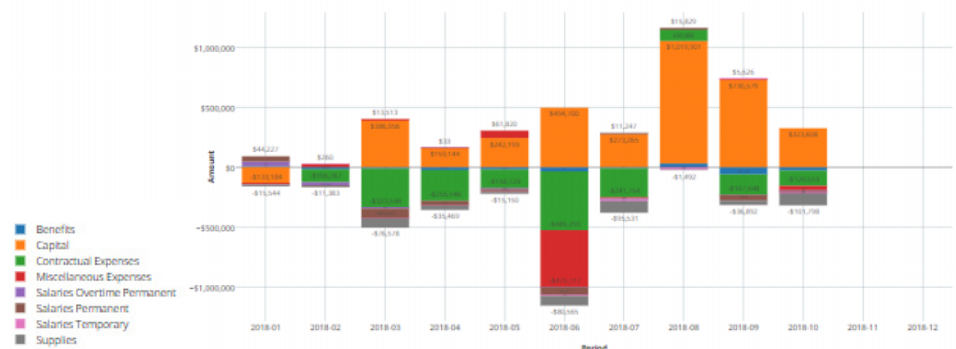
Normally this process involves comparing this year's financial performance to last year's performance at the same time interval. The issue is, last year is not this year. The national economy, local economy, state laws, and many other factors are different, making the evaluation inaccurate many times. By forecasting the current year via a month over month forecasting process to the end of the fiscal year, local governments can forecast budget variance as a performance tool. Leveraging historical month over month revenue and expense detail can help forecast a trend for the current year, making budget performance analysis easier and more accurate.

Monthly Expenditure Variance Summary

Expenditure Variance: \$ Over Plan/Unfavorable / (\$- Under Plan/Favorable)

Monthly Expenditure Variances by Object												
Object Rollup	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06	2018-07	2018-08	2018-09	2018-10	2018-11	2018-12
Total	\$-70,309	\$-141,166	\$-104,213	\$-191,126	\$81,692	\$-658,591	\$-95,133	\$1,134,237	\$422,383	\$4,793	\$0	\$0
Benefits	\$9,189	\$-19,093	\$-12,183	\$-25,072	\$-20,911	\$-35,357	\$-10,631	\$30,683	\$-61,381	\$-28,996	\$0	\$0
Capital	\$-133,184	\$0	\$386,956	\$159,144	\$242,199	\$494,700	\$273,265	\$1,019,901	\$730,579	\$323,608	\$0	\$0
Contractual Expenses	\$-1,986	\$-106,767	\$-323,544	\$-256,146	\$-156,129	\$-489,293	\$-241,754	\$92,989	\$-167,648	\$-126,553	\$0	\$0
Miscellaneous Expenses	\$-8,115	\$25,716	\$13,513	\$6,784	\$61,820	\$-475,117	\$-9,451	\$-340	\$2,213	\$-37,427	\$0	\$0
Salaries Overtime Permanent	\$36,301	\$-27,926	\$-8,607	\$33	\$-6,783	\$-443	\$-10,357	\$-9,761	\$-1,735	\$-9,745	\$0	\$0
Salaries Permanent	\$44,227	\$-1,974	\$-33,612	\$-40,253	\$-20,873	\$-61,411	\$11,247	\$15,829	\$-48,378	\$-7,222	\$0	\$0
Salaries Temporary	\$-1,198	\$260	\$-158	\$-147	\$-2,482	\$-11,106	\$-11,921	\$-13,571	\$5,626	\$-7,073	\$0	\$0
Supplies	\$-15,544	\$-11,383	\$-76,578	\$-35,469	\$-13,150	\$-80,565	\$-95,531	\$-1,492	\$-36,892	\$-101,798	\$0	\$0

This report shows the monthly variance amounts between Trend (Budget) and Actuals to date. For any/all remaining periods that do not have actuals, the variances will reflect \$0 for that period.



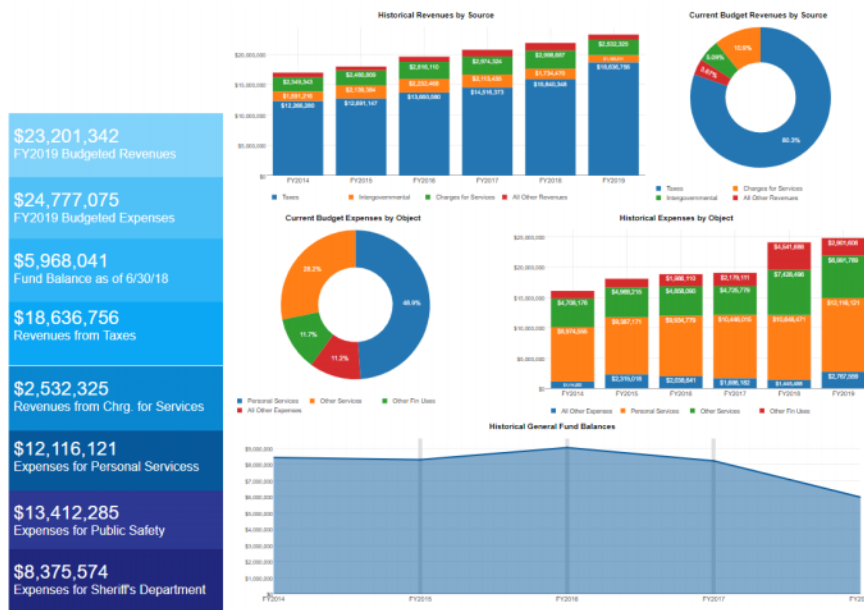
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Multiyear forecast *continued*

A path to financial transparency

As we all know, the local government landscape is ever changing. One area that keeps gaining momentum across the nation is financial transparency at the federal, state, and local level. For years, local governments have posted their budget to the city, village, or county website and that was enough. With a push for transparency all levels of government, a multi-year forecast and current year budget performance analysis is a great addition to the information provided to the public.

One key to financial transparency, is making the financial information easy to consume through data visualization. Here is an example of how local governments may choose to visualize their historical general fund spending:



When you look at a multiyear forecast as more than a spreadsheet, and move to the next level of viewing it as a process and an instrument for continual improvement, your community will enjoy numerous tangible and intangible benefits.

About the author



Matthew Prozaki

Sr. Account Executive-
National Sales
Forecast5 Analytics, Inc.

Matt Prozaki is a Sr. Account Executive at Forecast5 Analytics and holds a Master of Business Analytics degree from the University of Notre Dame. Over the last five years he has advised hundreds of local governments on best practices in data driven decision making.

mprozaki@forecast5analytics.com

Phone: 630-955-7603

Sustaining and Associate Partners:

Have an article to submit to the *Weekly News* or quarterly *Dispatch*? Please send articles of apx. 1,000 words to execdir@igfoa.org.

IGFOA Associate Partners

Many thanks to the IGFOA Associate Partners for their continuing support and collaboration.

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Asset Control Solutions, Inc.

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BS&A Software

Capital Gains Incorporated

CBIZ Valuation Group, LLC

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ClientFirst Technology Consulting

CliftonLarsonAllen LLP

Crowe LLP

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First Bank of Highland Park

First Midwest Bank

Foster & Foster

GovHR USA

Graystone Consulting

GW & Associates, PC

Huntington National Bank

Ice Miller LLP

Illinois Public Risk Fund

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Johnson Controls Inc.

Klein Hall CPAs

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Moody's Investors Service

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Learn more about the IGFOA Partners program at www.igfoa.org/membership

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