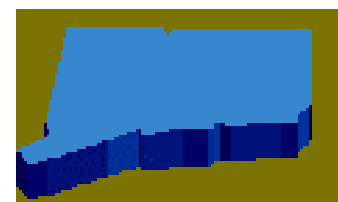


# GFOA-CT

Government Finance Officers Association of Connecticut



Quarterly Newsletter

Fall 2004 Visit our Website at [www.gfoact.org](http://www.gfoact.org) Volume 12, Issue 1

## *President's Message*

*By Kate Clarke*

Happy Fall Everyone! Or should I say "Happy Audit Season"?

I hope you all join me in thanking Maggie Cosgrove for her service last year as President of the Connecticut GFOA. And I thank you for electing me to serve as President for this year. I look forward to seeing many of you at our quarterly meetings as well as our training sessions and at other activities. I would like to congratulate the other Executive Board members who were elected at our annual meeting or who will be continuing terms to which they were previously elected: 1<sup>st</sup> Vice President Bob Curry (Meriden), 2<sup>nd</sup> Vice President Jeff Jylkka (East Hampton), Treasurer Sal Pandolfo (Groton), Ann Harter (Newington), Christine Hutton (Tolland), Jim Jaskot (Cheshire), Dena Diorio (Danbury); Jim Finch (Branford), Mike Walsh (East Hartford), Lisa Hancock (Wethersfield), New England Representatives Don Miklus (Westport) and Alan Desmarais (Manchester).

At the annual meeting the John Walsh Scholarship was awarded. This scholarship allows a CT GFOA member to attend the National GFOA Advanced Government Finance Institute. This year, the Executive Board voted to award the scholarship to Glenn Klocko of Bristol.

Also at the annual meeting, long-time member and Past President Don Gray (New London) was honored. Don was presented with an honorary membership to the CT GFOA. He was also named the recipient of the annual Albert F. Young award, which is sponsored by Hooker & Holcombe.

At the July 13, 2004 meeting of the Executive Board, the following Committee Chairs were appointed:

Accounting Standards – Jim Jaskot, Cheshire

Audit Committee – Greg Simmons, Enfield

Education Committee – Ann Harter, Newington

Internet Committee – Bob Curry, Meriden & Jim Bowes, Southington

John Walsh Scholarship – Bill Hogan, Newington

Legislative – Mike Walsh, East Hartford & Jim Finch, Branford

National Representative – Jeff Smith, Mansfield

Newsletter – Dena Diorio, Danbury

Program – Bob Curry, Meriden

Tom Hamilton of Stamford will be chairing the National Event again this year. Please get in touch with me or with Tom if you would like to help plan that event!

See you in November!

## *Secretary's Report*

*By Jeff Jylkka*

GOVERNMENT FINANCE OFFICERS' ASSOCIATION OF CONNECTICUT

MINUTES

EXECUTIVE BOARD MEETING

MIDDLETOWN CITY HALL

JULY 13, 2004

**Attending:** Kate Clarke, Sal Pandolfo, Ann Harter, Mike Walsh, Jim Jaskot, Alan Desmarais, Lisa Hancock, Greg Simmons, Jim Finch(4:25), Maggie Cosgrove(4:30), Jeff Jylkka(4:30)

**Absent:** Bob Curry, Dena Diorio, Christine Hutton, Don Miklus, Bill Hogan, Jeff Smith, Jan Godley

**Meeting called to order:** 4:20 pm by President Kate Clarke

**Item #2a -Approval of minutes of April 7, 2004:** Motion by Sal Pandolfo, seconded by Jim Jaskot. Alan Desmarais and Mike Walsh abstaining. Motion approved.

**Item #2b -Approval of minutes of June 2, 2004(as amended):** Motion by Alan Desmarais, seconded by Lisa Hancock. Unanimously approved.

**Item 3 - Appointment of Committee Chairs:** Motion by Lisa Hancock, seconded by Mike Walsh. Unanimously approved.

**Item #4 – Treasurers Report:** Treasurers report presented by Sal Pandolfo. Motion to accept report by Jim Jaskot, seconded by Lisa Hancock. Unanimously approved.

**Item #9a – Old Business, Administrative Assistant Position:** Lisa Hancock had contacted NESGFOA and received some additional information. Discussion ensued re. the scope of services the individual would be providing.

Motion to table to the November meeting by Maggie Cosgrove, seconded by Lisa Hancock. Unanimously approved.

**Item #5 – Proposed 2004-2005 Budget:** Motion to adopt as presented by Ann Harter, seconded by Alan Desmarais. Unanimously approved.

#### **Item #6 – Committee Reports**

- **Accounting Standards** – Jim Jaskot discussed GASB 43 (Other Post Employment Benefits) and is seeking clarification on which entities the statement covers. Mentioned that GASB 44 (*Economic Condition Reporting: The Statistical Section—an amendment of NCGA Statement 1*) was issued in May 2004. There are also 2 new exposure drafts
  - #1 *Net Assets Restricted by Enabling Legislation—an amendment of GASB Statements No. 34 and No. 44*
  - #2 *Communication Methods.*
- **Auditing** – Greg Simmons gave a report that Ann Harter, Debbie Serrato and himself met last week to review the books and had no findings or recommendations. Maggie Cosgrove made a motion to accept the audit, seconded by Alan Desmarais. Unanimously approved.
- **Education** – Ann Harter gave a report that she is looking into a fall session on management/mentoring. She is also looking into a spring sessions on policies/procedures manuals. She is also going to contact the Council of Small Towns to see if they would be interested in organizing classes on the GFOA's Elected Officials Guides.
- **Historian** – No report
- **Internet** – No report
- **John Walsh Scholarship** – Ann Harter mentioned that Joe Bivona will not be holding the annual golf tournament. Kate Clarke requested an update from Bill Hogan.
- **Legislative** – Mike Walsh and Jim Finch gave their report.
- **Membership** – Jeff Jylkka gave a report that there were 466 members for the 2003-2004 year. Renewals will go out in the next couple of weeks.
- **National Event** – No report
- **Newsletter** – No report
- **Program** – No report

**Item #7 – National GFOA Representative:** Nothing to report

**Item# 8a – 2006 New England Conference (Site Selection):** Alan Desmarais reported that there are two possible locations (the casinos or Hartford). He is looking for volunteers and a committee will need to be set up.

**Item# 10 – New Business:** No new business

**Item#11 – Adjournment:** Motion to adjourn by Maggie Cosgrove, seconded by Jim Finch. Unanimously approved. Meeting was adjourned at 6:00pm.

## *Education Committee*

*By Ann Harter*

### **Fall 2004 Programs**

#### **Satellite Video Conference**

Thousands of accounting and auditing professionals have come to rely on GFOA's Annual Governmental GAAP Update for a comprehensive and understandable overview of the latest developments affecting accounting and financial reporting for state and local governments.

Host locations include: Town of Windsor, Town of Groton and State of CT Office of Policy and Management in Hartford

Thursday, November 4, 2004

1 p.m. - 5 p.m. Eastern Standard Time

CPE Credits: 4

For more info and site locations visit <http://www.gfoa.org/gaap/index.shtml>

#### **Certified Public Finance Officer Program (CPFO)**

The CPFO examinations will be held on October 26<sup>th</sup> at the State of CT Office of Policy and Management, 450 Capitol Avenue Complex in Hartford. The deadline for registration is October 4<sup>th</sup>. Visit the national GFOA website at <http://www.gfoa.org/services/certification.shtml> for all the details.

#### **COURSES (Registration forms attached)**

Six half-day sessions on ***Mentoring*** are being offered from September 16<sup>th</sup> to October 28<sup>th</sup> at the West Hartford Town Hall. This is an exciting new collaborative effort created by Alan Desmarais to address the need for training and peer discussion beyond accounting and technical skills. Topics include municipal finance law, communications with your boss and policy board, and how to apply for a job and get through that dreaded oral panel. There will also be sessions led by nationally known experts in ethics, and coaching employee performance. The sessions are meant for all ranges of municipal finance employees. Each session will be taught independently and so participation in one is not a prerequisite for the next. The price is \$75 for the full course, or \$12.50 per session if taken separately. PLEASE NOTE: At the time of this publication, changes to dates/deadlines of the program may have changed. Please check the [www.gfoact.org](http://www.gfoact.org) for updates. CPE Credits: 3 for each class

Another six half-day sessions will commence on October 5<sup>th</sup> using the GFOA's ***Elected Officials Guide*** booklets as a foundation for this course. This course is designed to provide guidance in a simple, concise format on a variety of financial management topics and replaces the Introductory Governmental Accounting class which used outdated material. The following topics such as Government Finance, Internal Controls, Procurement and Risk Management will be instructed by Glenn Klocko. The sessions are not only meant for elected officials but for anyone new to the municipal finance field. Each session will be taught independently and so participation in one is not a prerequisite for the next. The price is \$75 for the full course, or \$12.50 per session if taken separately. CPE Credits: 3 for each class

Please contact any of the members of the Education Committee with suggestions or questions.

Ann Harter, Town of Newington

Christine Hutton, Town of Tolland

Sal Pandolfo, Town of Groton

Tayna Oliver-Perry, City of Middletown

## ***Accounting Standards Committee***

***By James Jaskot***

The GASB has issued two Statements since the last newsletter. A summary of these pronouncements follows, along with an overview of two Exposure Drafts (EDs) that are currently outstanding:

### *GASB Statement 44, Economic Condition Reporting: The Statistical Section*

The GASB issued Statement No. 44, *Economic Condition Reporting: - The Statistical Section* in June of 2004. The Statement amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles* that guide the preparation of the statistical section.

The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government. The statistical section is a required part of a comprehensive annual financial report (CAFR), although governments are not required to prepare a statistical section if they do not present their basic financial statements within a CAFR. This Statement establishes the objectives of the statistical section and the five categories of information it contains – financial trends, revenue capacity, debt capacity, demographic and economic information and operating information.

This Statement adds new information and eliminates certain previous requirements. For instance, a government's statistical section should now include trend information on governmental fund balances and principal employers. Government-wide, accrual-based information required by Statement 34, such as net assets and changes in net assets, will also be added. On the other hand, governments are no longer required to present special assessment levies and collections, construction activity, and bank deposits.

Finally, this Statement requires governments to provide narrative explanations of the objectives of statistical section information, unfamiliar concepts, relationships between information in the statistical section and elsewhere in the financial report, and atypical trends and anomalous data that users would not otherwise understand. Notes regarding sources, methodologies, and assumptions will also be required to augment the schedules.

Statement 44 is effective for fiscal years beginning after June 15, 2005. The Statement may be ordered by telephoning the GASB Order Department at 1-800-748-0659, Product Code No. GS44, or ordering on-line at the GASB website, [www.gasb.org](http://www.gasb.org).

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*

The GASB issued Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in August of 2004. The Statement addresses how state and local governments should account for and report their costs and obligation related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. The Statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of Statement 45 may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. Statement 45 is effective for periods beginning after December 15, 2006, 2007, or 2008, depending on the size of the government, i.e. Phase 1, 2, or 3 government as determined by the annual revenues that were used for GASB 34 implementation requirements. The Statement may be ordered by telephoning the GASB Order Department at 1-800-748-0659, Product Code No. GS45, or ordering on-line at the GASB website, [www.gasb.org](http://www.gasb.org).

As mentioned in the previous newsletter, the GASB issued a corresponding "plan" statement, Statement 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* in May of 2004. Statement 43 is effective one year prior to Statement 45, and a statement of plan net assets, statement of changes in plan net assets, schedule of funding progress, and schedule of employer contributions will be required in the stand-alone financial reports of OPEB plans, as well as in the financial statements of governments that have OPEB trust funds. Actuarial services will be required one year earlier if the "plan" Statement 43 is applicable, unless the alternative measurement method is utilized. Note that this method is only an option for plans with a total membership of fewer than one hundred. Many OPEB plans are currently paying benefits on a pay-as-you-go basis. If a government does not have an acceptable trust or equivalent arrangement established, actuarial valuations will not be necessary until Statement 45 is effective. An employer that is considering the establishment of a trust for OPEB benefits should also consider the impact on required actuarial services.

ED, *Net Assets Restricted by Enabling Legislation – an amendment of GASB Statements No. 34 and No. 44*

An ED on *Net Assets Restricted by Enabling Legislation – an amendment of GASB Statements No. 34 and No. 44* is expected to result in a Statement sometime during the fourth quarter of 2004. The comment period on the ED concluded on August 31, 2004.

The proposed statement is intended to assist governments in applying the phrase *legally enforceable* to restrictions on net assets imposed by enabling legislation and to provide users with comparable information on these restrictions. "Enabling Legislation" seems to be more of an issue at the state level since states are free to repeal what they legislate because they are sovereign. When enforceability becomes a question, the guidance will help provide some consistency on how these fund balances are subsequently reported. The ED requires that net assets restricted by enabling legislation be displayed on the government-wide statement of net assets separately from other restricted net assets, thus underscoring that the legal enforceability of enabling legislation has the potential of becoming an issue. The resulting Statement would first be effective for periods beginning after June 15, 2005. The ED may be ordered by telephoning the GASB Order Department at 1-800-748-0659, or downloading from the GASB website, [www.gasb.org](http://www.gasb.org).

## ED, *Communication Methods*

An ED on concepts related to *Communication Methods* is expected to result in a Statement of Governmental Accounting Concepts sometime during the second quarter of 2005. Concepts Statements are intended to provide a conceptual framework of interrelated objectives and fundamental concepts that can be used as a basis for establishing consistent financial reporting standards. This proposed Concepts Statement would provide a conceptual basis for selecting communication methods to present items of information within general purpose external financial reports that contain basic financial statements, as well as clarify the relationship of basic financial statements, notes to basic financial statements, and supporting information. Communication methods would include recognition in basic financial statements, disclosure in notes to basic financial statements, presentation as required supplementary information (RSI), and presentation as supplementary information. Roles and responsibilities of the preparer, the user, and the GASB for the effective communication of information are also clarified. The comment period will conclude on September 30, 2004. The ED may be ordered by telephoning the GASB Order Department at 1-800-748-0659, or downloading from the GASB website, [www.gasb.org](http://www.gasb.org).

### *John T. Walsh Scholarship Committee*

#### *By Bill Hogan*

The Walsh Scholarship is now in its eighth year and has surpassed over \$25,000 in awards. Since its inception, 15 graduate students pursuing careers in public administration have been recipients of the Walsh Scholarship. In addition, an annual scholarship to the Advanced Government Finance Institute held each year at the University of Wisconsin, is awarded to one municipal finance director who has demonstrated leadership and active participation in the GFOA-CT. **Alan Desmarais** Director of Finance from the Town of Manchester and **Glenn Klocko**, Comptroller with the City of Bristol have attended the Institute through the Walsh Scholarship.

The Institute is a five-day intensive program that provides senior level finance professionals the opportunity to analyze long-term finance issues in an academic environment.

**For more information on the *Advanced Government Finance Institute* go to <http://www.gfoa.org>**

Walsh Scholarship information and the application for the 2005 session will be distributed to CT- GFOA members in early 2005.

*The John T. Walsh Scholarship Committee* is comprised of William J. Hogan, Director of Finance with the Town of Newington, Catherine S. Boone, Deputy State Treasurer and William J. Cochran, former Director of Finance with the City of Hartford. All are former employees of Mr. Walsh.

## REVISED COURSE ANNOUNCEMENT - MENTORING PROGRAM

Sponsored by:

**CONNECTICUT GFOA - Education Committee**

**LOCATION:** West Hartford Town Hall (Room 400)

50 South Main Street, West Hartford, CT

Directions: <http://www.west-hartford.com/Home/Directions.htm>

### DATES AND TOPICS:

**September 23<sup>rd</sup>** Ethics...and how do I stay out of trouble

**Speaker:** Michael Rion, Ph.D., Principal and Founder

Resources for Ethics and Management

**September 30<sup>th</sup> (Room 422)** What does a Finance Director really do?

**October 7<sup>th</sup> (Room 422)** Who makes the rules and where can I find them?

**October 14<sup>th</sup>** Communicating with the CEO and Policy Board

**Speaker:** Alan Desmarais, Director of Finance

Town of Manchester

**October 28<sup>th</sup> (9:00-noon)** Feedback/Coaching for Improved Employee Performance

**Speaker:** Deanne Shapiro, President

Life Skills Associates LLC

**Lunch is on your own**

**October 28<sup>th</sup> (1:00-4:00)** Preparing for the interview process

S. Steve Juda, Assessor

William Hogan, Director of Finance

Town of Newington

William Vernile, Director of Human Resources

Town of Avon

**TIMES:** 9:00 A.M. to 12:00 P.M. **COST:** \$75.00 or **\$12.50 each**

**Please send check payable to GFOA-CT along with registration to: Sal Pandolfo, Town of Groton, 45 Fort Hill Road, Groton, CT 06340**

## Mentoring Program

### COURSE REGISTRATION

Name: \_\_\_\_\_ Position: \_\_\_\_\_

Organization: \_\_\_\_\_ Business Tel.: \_\_\_\_\_

**Circle the sessions attending: Sept. 23<sup>rd</sup> Sept. 30<sup>th</sup> Oct. 7<sup>th</sup> Oct. 14<sup>th</sup> October 28<sup>th</sup> 9 –noon October 28<sup>th</sup> 1 – 4**

**Number of Programs** \_\_\_\_\_ **X \$12.50 = TOTAL FEE** \_\_\_\_\_

### COURSE ANNOUNCEMENT

#### ELECTED OFFICIAL'S GUIDE TO ...

Sponsored by:

CONNECTICUT GFOA - Education Committee

**LOCATION: Middletown Police Department**

Community Room

222 Main Street, Middletown, CT

The Police Station is located between College and Court Streets. Parking is available via Court Street (next to the Courthouse Parking) with a pedestrian walkway to the police station. For further directions please contact Ann Harter (860)665-8526/ [aharter@ci.newington.ct.us](mailto:aharter@ci.newington.ct.us) OR Tayna Oliver-Perry (860)344-3439/ [tayna.oliver-perry@cityofmiddletown.com](mailto:tayna.oliver-perry@cityofmiddletown.com)

**DATES AND TOPICS: TIMES: 9:00 A.M. to 12:00 P.M**

The following topics will be covered using the "GFOA Elected Official's Guide" booklets as a source. Classes will be instructed by Glenn Klocko, Comptroller, City of Bristol

**October 5<sup>th</sup>** The Guide to Government Finance

**October 12th** Fund Balance & Net Assets

**October 19th** Internal Controls & Fraud Prevention

**October 26th** Procurement

**November 9th** New Governmental Financial Reporting

**November 17th** Risk Management

**COST:** \$75.00 for all six or \$12.50 each (includes the cost of materials)

**DEADLINE:** Friday, September 24, 2004 (class size is limited to 35)

**Please send check payable to GFOA-CT along with registration to: Sal Pandolfo, Town of Groton, 45 Fort Hill Road, Groton, CT 06340**

**COURSE REGISTRATION - ELECTED OFFICIALS GUIDE TO...**

Name: \_\_\_\_\_ Position: \_\_\_\_\_

Organization: \_\_\_\_\_ Business Tel.: \_\_\_\_\_

**Check the sessions attending:**

• The Guide to Government Finance	• Fund Balance & Net Assets
• Internal Controls & Fraud Prevention	• Procurement
• New Governmental Financial Reporting	• Risk Management

Number of Programs \_\_\_\_\_ X \$12.50 = TOTAL FEE \_\_\_\_\_

**FALL MEETING**

**GOVERNMENT FINANCE OFFICERS ASSOCIATION OF CONNECTICUT**

**REGISTRATION FORM**

**WEDNESDAY, NOVEMBER 3, 2004**

**SORRY - ABSOLUTELY NO TELEPHONE OR WALK-IN RESERVATIONS ACCEPTED**

Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Telephone: \_\_\_\_\_

Attending Buffet Luncheon: \_\_\_\_ Yes \_\_\_\_ No

The GFOA of CT welcomes participation by people with physical limitations. Please advise us if you need accommodation or assistance with the buffet or any other part of our program in the space below:

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**Payment must accompany registration form no later than October 25, 2004.** Five participants are allowed at the member rate per member municipality or organization.

Registration Fee (please check one):

\_\_\_\_\_ \$40 per member

\_\_\_\_\_ \$60 per non-member

Mail this form with your check to:

Sal Pandolfo, GFOA of CT

c/o Town of Groton

45 Fort Hill Road

Groton, CT 06340

FAX (860) 441-6678

**Government Finance Officers Association of Connecticut – Fall Meeting**

**Aqua Turf, Southington, Connecticut**

**Wednesday, November 3, 2004**

- 11:00 – 12:00      Noon **Registration**
- 12:00 - 1:00 PM    **Buffet Luncheon and Speaker from UCONN Graduate Certificate in Public Finance Management**
- 1:00 – 1:15 PM    **Welcome** Kate Clarke, President, GFOA of CT

- 1:15 - 2:30 PM      **Session I    IRS Update** Phyllis Burnside who will be speaking on what the IRS is finding in the municipal audits and what areas they are targeting.
- 2:30 – 2:45 PM      **Break**
- 2:45 – 3:45 PM      **Session II    OPEB Update** Kathy Harm of **ICMA** will be speaking about GASB 43 & 45 concerning OPEB and also about HSAs and HRA's for funding retiree medical benefits.
- 3:45 - 4:30 PM      **Session III    CHECK 21 Update** Bank of America and People's Bank will lead a short discussion about Check 21 one week after implementation.
- 4:30 - 5:30 PM **Reception**

**PLEASE NOTE: FUTURE MEETING NOTICES/REGISTRATION FORMS WILL BE SENT BY E-MAIL ONLY. THEY WILL ALSO APPEAR ON OUR WEB PAGE. MAKE SURE THE GFOA HAS YOUR E-MAIL ADDRESS!**

**The Aqua Turf Club  
Mulberry Street  
Plantsville, CT 06479  
860-621-9335**

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#### **I-84 East from Waterbury**

Take exit 27 to Route 691 East. Take Exit 3. Left onto Route 10. Proceed on Route 10 to the intersection of I-84 East and Gene's Restaurant. Turn right at light onto Mulberry Street. Aqua Turf is 1 1/2 miles on right.

#### **I-84 West from Hartford**

Take exit 29 (left exit). Left off exit. Turn right at light (before Gene's Restaurant) onto Mulberry Street. Aqua Turf is 1 1/2 miles on right.

#### **From I-91 or the Merritt Parkway**

Take route 691 West toward Waterbury. Take exit 4 (Southington). Right off exit. At bottom of hill (McDonalds), take right onto South End Road. Follow to Mulberry Street on left. Turn left onto Mulberry Street. Aqua Turf is approximately 1/4 mile on left.