



MINNESOTA GOVERNMENT FINANCE OFFICERS ASSOCIATION

MnGFOA NEWSLETTER

March 2008

Excellence and Leadership in Government Finance

www.mngfoa.org

Message from the President

“I’ve learned – that your life can be changed in a matter of hours by people who don’t even know you.” This is from one of those widely circulated e-mails a few years back (when we still went ‘ooooh’ instead of ‘yuck’ when they came across our screen). I was reminded of it during the February lunch meeting when Jason O’Brien from FAF Advisors spoke to us about the Sub Prime Mortgage debacle, the tentacles of which reach farther and farther into our daily lives.

All of our lives were changed several years ago by the smart guys who came up with ‘Affordability products’ for the home mortgage market. Low interest rates, increasing real estate values and a shift in qualifying criteria made buying a home with these products possible for many who couldn’t previously qualify or afford it. The snowball got bigger when these mortgages were bundled together and sold as investments. A variety of interesting practices made these investments look like any other mortgage backed security when in fact, it was like buying the proverbial box of chocolates (you never know what you’re gonna get).

Then the Fed raised interest rates, people started to default on their interest only or adjustable rate mortgages, brokerage houses realized they didn’t really know the quality of the underlying investments, and the house of cards started its tumble down. Now every market – not just the residential mortgage market - is affected. Brokerage houses, banks, bond insurers, municipalities selling bonds – everyone has to deal with the fallout. Not to mention the effect on the overall US and global economy. According to Jason, the crisis will take years, not months, to be resolved. Not the happy ending from some sappy e-mail, but then, what is?

Thanks to Jason (and his sidekick Cindy) for their presentation. (If you would like a copy of it, e-mail me and I’ll send you the PDF.)

It’s March already. Tournament time, Easter, Spring break, daylight savings and of course, *AUDITORS!* Where would we be without our auditors? From Abdo, Eick & Meyers to Virchow Krause & Company (as close as I can get to A-Z) we are privileged to have these dedicated professionals in our ranks. Thanks to all of them for their long hours, hard work and contributions to our organization.

Once audit is done, can the CAFR be far behind? Our March meeting will be a day long training session: CAFR review in the morning with Peggy Moeller and Dave Blumberg from HLB Tautges Redpath and MD&A in the afternoon with Aaron Nielsen from MMKR and Sue Iverson. Be sure you sign up on the GTS website for this one.

A parting thought from the e-mail philosopher: “Heroes are the people who do what has to be done, when it needs to be done, regardless of the consequences.”

You are all someone’s hero. Make it a great month!

Robin



March Meeting Quarterly Training



~ Speaker Bio ~

DATE: Wednesday, March 19, 2008
LOCATION: Minneapolis Sheraton Four Points
TOPIC: **CAFR Review, MD&A, Transmittal Letter and New Statistical Section**
SPEAKERS: Peggy Moeller and David Blumberg from Tautges Redpath. LTD
Aaron Nielson, MMKR
Sue Iverson, City of Arden Hills
TIME: 10:00 – 12:00 Training
12:00 Luncheon
1:00 – 3:00 Training
COST: Training and lunch \$80.00
Networking Lunch Only \$16

Registration: You need to register through Government Training Services for this training and Networking lunch. A brochure and on-line registration is available on the Government Training Services website www.mngts.org, or at the Minnesota GFOA website, www.mngfoa.org. Please remember that you can not use the MnGFOA website Meeting Signup to register for this training or the lunch.

Course Description

This program, MnGFOA Certificate of Achievement for Excellence in Financial Reporting Update, will help attendees resolve comments they may have received in response to their Comprehensive Annual Financial Report (CAFR). Cities throughout Minnesota submitted comments they've received to the instructors for use in this program. The instructors will share the most frequently received comments, why they received the comments and how the comments can be resolved now and in the future.

In addition to the CAFR update, we are also covering the required elements for the MD&A and information on how to customize your transmittal letter. We will also share some tips on where to gather and find data for the new statistical section.

This course is designed for anyone who prepares, compiles information for, or reviews Comprehensive Annual Financial Reports. This could include entry to mid-level accounting personnel, Finance Directors, CPAs, accounting firm staff or others who review CAFR reports.

Peggy A. Moeller, CPA, is an officer at the accounting firm HLB Tautges Redpath, Ltd. and **David Blumberg, CPA**, is a senior manager at the same firm. They both specialize in audit and management advisory services for local governments and assist organizations with quality financial reporting and special projects such as debt studies, cash flow projections, arbitrage calculations and utility rate studies. Peggy and David are national reviewers of the Government Finance Officers Association's Certificate of Achievement in Financial Reporting Program and have presented a number of seminars on financial reporting.

Aaron Nielsen, CPA is a Principal with Malloy, Montague, Karnowski, Radosevich, & Co., P.A. He has worked with cities, schools, and other local governments for 12 years in governmental auditing, accounting, budgeting, federal financial assistance programs, internal control studies, and financial statement preparation. Over the years, he has served in various capacities on the Minnesota CPA Society Governmental Accounting and Auditing Task Forces, MnGFOA, and MASBO. He also currently serves as a reviewer of the GFOA Certificate of Achievement for Excellence in Financial Reporting program.

Sue Iverson is the Finance Director/Treasurer for the City of Arden Hills. This department provides operational support to all other city departments in processing and reporting financial information and planning, support and execution of budgets and capital planning. Prior to her arrival at Arden Hills, she was the chief financial officer in various other communities in the Twin Cities metro area. She has taught Budgeting and Fund Accounting at the Minnesota Municipal Clerks Institute and is a Certified Municipal Clerk. Sue is an active member of MnGFOA, serving on various committees and is a national budget reviewer for the Government Finance Officers Association's Distinguished Budget Presentation Award.



Committee

Executive Committee Update

The Executive Committee met in February and took the following actions:

- Approved January minutes.
- Approved the check register and treasurer's report for January.
- Approved contract with Government Training Services (GTS) for 2008.

From the Education Committee

The Education Committee is pleased to announce that Peggy Moeller and David Blumberg from HLB Tautges Redpath, Ltd. will be conducting the annual Certificate Review session in conjunction with the March 2008 meeting scheduled for Wednesday, March 19, 2008. In addition, Aaron Nielsen from MMKR and Sue Iverson from the City of Arden Hills will be conducting a session after lunch on "How to customize an MD&A and transmittal letter for your city" and where to find data for the new statistical section. Information on this quarterly training can be found on www.mngts.org and at www.mngfoa.org. Please sign up through GTS for the training and luncheon. There will be an option to sign up for luncheon only.

We Need your Help!

The CAFR is a popular session that necessitates participation and assistance. We still in need of CAFR comments. Peggy is collecting CAFR comments received from the GFOA 2006 Annual Financial Statements, which will be used as examples for this session. Please forward copies of your 2006 CAFR and your GFOA comments to: Peggy Moeller, HLB Tautges Redpath, Ltd., 4810 White Bear Parkway, White Bear Lake, MN 55110. **(Please note: Peggy would like to have actual hard copy of your CAFR if possible.)**

Membership Information

If you need to update your membership information, because you have changed jobs, or for some other reason, you can do it online at the MnGFOA website. You will need your username and password. If you have forgotten your username and password, please email timesaver1@aol.com with your request.

2008 Meeting Dates

Monthly Meetings

April 16
May 21
No June Meeting
July 16 – Quarterly Training
August 20
No September Meeting
October 15
November 19 – Quarterly Training
December 10



Annual Conferences:

GFOA – Fort Lauderdale, FL June 15-18, 2008
MnGFOA – Alexandria, MN Sept. 24-26, 2008

MnGFOA Sponsored Scholarships

The deadline for the **Lori A. Webster Advanced Government Finance Institute Scholarship** is March 30th. The Advanced Institute is a 5-day program which provides an opportunity for government officers to address big picture issues facing public finance and participate in seminars with your peers. The Advanced Institute will run from July 28 to August 2, 2008 at the University of Wisconsin-Madison. You can check out the National GFOA website for more information at www.gfoa.org. The MN GFOA provides up to 2 scholarships for members of our organization that serve in public finance. Application forms are available on the MnGFOA website or you can contact Secretary, Cathy Shuman. Completed applications can be sent to cathy.shuman@ci.monticello.mn.us.

MN GFOA also provides scholarship opportunities to undergraduate students of accounting or government finance attending any college or university located in Minnesota. The **John Lilja Undergraduate Scholarship** application deadline is April 15th. The amount of each scholarship is \$1000, and the MnGFOA awards at least one a year, up to a maximum of four. Applications are available on the MnGFOA website; completed forms can be sent to cathy.shuman@ci.monticello.mn.us.

Larry Jacobson
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HAPPY SPRING

JOB POSTINGS

ACCOUNTANT

The City of Oak Grove (Pop. 8,249) located approximately 27 miles north of downtown Minneapolis is accepting applications for the position of full-time Accountant. Qualifications include a four year bachelor's degree in accounting or related field and two years experience in public sector accounting; a two year associate's degree in accounting and five years of closely related experience in public sector accounting; or equivalent combination of education and experience. The salary range is \$48,880 – 58,656 (based on the 2007 wage schedule) along with an excellent benefits package. Starting salary is dependent on qualifications. All applicants must complete a City application and submit a resume and letter of interest. Full position description and application materials are available at www.ci.oak-grove.mn.us or call 763-753-1920. All application materials must be received (not postmarked) by 4:00 p.m. Tuesday, March 18, 2008 at Oak Grove City Hall, 19900 Nightingale St. NW, Oak Grove, MN 55011. Applications are not accepted by fax or email.

Message from the Editor

It's great to be the editor of our newsletter. I look forward to receiving any items you would like to have included. Send your job openings, ads, career moves, or other items of note to me by the 20th of each month and they will go in the next newsletter. Thanks!

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