

Save the Date

May 30
Memorial Day

June 3
GFOAz Board Meeting

June 17
GFOA CPFO Test Deadline

June 26-29
GFOA Annual Conference
San Antonio, Texas

July 4
Independence Day!

August 10-12
GFOAz Summer Training
Tucson, AZ

Congratulations to the 2004 Distinguished Budget/Financial Award Winners

GFOA has announced the Arizona winners of the Distinguished Budget Award and the Certificate of Achievement in Financial Reporting Program Award for the fiscal periods beginning on or after January 1, 2003. They include:

- *Avondale [12 Years]
- *Casa Grande [8 Years]
- *Chandler [16 Years]
- *Cottonwood [6 Years]
- *Flagstaff [10 Years]
- *Fountain Hills [2 Years]
- *Gilbert [5 Years]
- *Glendale [17 Years]
- Goodyear [7 Years]
- *Lake Havasu City [9 Years]
- *Mesa [1 Year]
- *Payson [6 Years]
- *Peoria [11 Years]
- *Phoenix [15 Years]
- *Pima County [13 Years]
- *Prescott [10 Years]
- *Prescott Valley [3 Years]
- *Safford [8 Years]
- Santa Cruz County
- *Scottsdale [15 Years]
- *Surprise [4 Years]
- *Tempe [19 Years]
- *Tucson [19 Years]
- Tucson Airport Authority
- Yavapai County

*-Winner of both Budget Award and Certificate of Achievement in Financial Reporting Program Award.

Heads Up!- 2005 GFOAz Summer Training!

The 2005 GFOAz Summer Training is August 11-12 at Loews Ventana Canyon Resort in Tucson. Reservations can be made by calling (800) 234-5117. The group rate is \$76 and is available through Monday July 18. The training registra-

tion fee for members will be \$90. Registration materials and additional information will be mailed out and posted on the GFOAz website, www.gfoaz.org, in June.

There will be a golf tournament on Thursday, August 11th and a reception that evening. The Education Committee has put together a fantastic program including topics on alternative procurement methods, fund accounting, economic real estate update, budgets, CFD's, leadership, water issues, identity theft, and many other topics.

GFOAz 41st Annual Conference Report

Over 175 members attended the 41st Annual Conference in Tucson at the Marriott University Park Hotel. The Conference began Wednesday with a special ICMA workshop: Guarding the Public Checkbook, and was followed by the Annual Golf Tournament. Thursday and Friday continued with an exciting lineup of topics and speakers. In addition to the sessions, members had the opportunity to discuss the future direction of GFOAz at a lunch session with the outgoing GFOAz President Robert Nilles and the incoming President Glenn Smith. Thank you to Education Committee for your great work.

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Free GAAFR Book and Study Guide Available

GFOAz was given a 2005 Government Accounting, Auditing, and Financial Reporting Book, study guide, and study guide answer supplement by GFOA to display at the Annual Conference. We would like to give the books to someone who needs them. If you would like the books please email bstoddar@mg.state.az.us by Tuesday, May 31. If there are multiple people interested we will do a drawing. This is \$150 worth of GFOA materials.



Government Finance Officers Association
of Arizona
1820 W. Washington Street
Phoenix, AZ 85007
Tel: (602) 258-5786 Fax: (602) 253-3874
email: info@gfoaz.org
Internet: www.gfoaz.org

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Dennis Massara
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GFOAz News is published by the Government Finance Officers Association of Arizona. Forward your comments or suggestions to the League of Arizona Cities and Towns, Attn: Brent Stoddard, 1820 W. Washington Street, Phoenix, Arizona 85007, Phone: 602-258-5786, Fax: 602-253-3874, email: bstoddard@mg.state.az.us

GFOA Executive Board Opposes Unwarranted Auditor Involvement with Official Statements and Web Sites

At its March 18, 2005, meeting the GFOA Executive Board unanimously approved a strongly worded recommended practice that opposes attempts by some audit firms to require their prior approval before audited financial statements may be included in offering statements or posted on a government's web site. Some of the Key Points made in the new recommended practice are:

- Having paid for the independent audit, a government owns the audited financial statements and should feel free to use them in any appropriate manner.
- The independent auditor should not be permitted to create an essentially artificial "association" with audited financial statements included offering statements or posted on the government's web site simply by inserting a clause to that effect in the audit contract.
- When the independent auditor actually does happen to become associated with audited financial statements included in an offering statement, a state or local government should take steps to avoid unwarranted delays and unjustified costs. In particular 1) a maximum time limit should be set for the independent auditor to read the unaudited material accompanying the audited financial statements and 2) because the amount of additional work required of the independent auditor would be minimal (i.e., simply reading the material that accompanies the audited financial statement), no additional fee should be required.
- The audit contract should clarify that the government is free to post its audited financial statements on its website.

Deadline for next CPFO Exam is June 17

Certified Public Finance Officer exams will be offered in conjunction with the GFOA Conference in San Antonio, Texas. June 17 is the deadline for applications


The Certified Public Finance Officers Program (Certification Program) of the Government Finance Officers Association of the United States and Canada (GFOA) is a broad educational self-study program designed to verify knowledge in the disci-

plines of government finance. The Certification Program is governed by the Council on Certification. Technical and administrative support for the program is provided by Radford University's Governmental and Nonprofit Assistance Center.

To earn the designation of Certified Public Finance Officer (CPFO), candidates must pass a series of five examinations covering the major disciplines of public finance. A candidate has seven years in which to successfully complete the program. Once earned, the CPFO designation is maintained by participating in 30 hours of continuing professional education each year.

To learn more or to apply to take a June exam visit www.gfoa.org or email certification@gfoa.org.

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GFOA Recommended Practice

Using Websites to Improve access to Budget Document and Financial Reports

Background. The Government Finance Officers Association (GFOA) has long encouraged governments to publish high quality budget documents and CAFRs. A high quality budget document not only facilitates and enhances the budget process, but also promotes greater stakeholder participation, thereby helping to realize an essential element of the mission of the budget process as defined by the National Advisory Council on State and Local Budgeting. Similarly, a high quality CAFR is an unparalleled means of demonstrating financial accountability, as recognized by the National Council on Governmental Accounting (NCGA) and reiterated by the Governmental Accounting Standards Board (GASB).

The objectives of the budget document and the CAFR can only be fully realized if they are readily available to all interested parties. Presentation on a government's website offers an unparalleled means of providing easy access to both documents. Specific benefits of including the budget document and the CAFR on the government's website include the following:

- Increased awareness. Many potential users of the information provided in the budget document and the CAFR are completely unaware of the existence of these important sources of financial data. Presentation on the government's website is a practical means of ensuring that all those with a potential interest in the government's finances are able to profit from the information they contain.
- Increased usage. The difficulties inherent in obtaining any published document pose a significant barrier to usage by ordinary citizens. An additional barrier arises when a government must charge for the budget document or the CAFR to recover the cost of printing or copying. Both barriers are eliminated when the budget document and the CAFR are presented on the government's website.

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RON TURNER
President
ronturner@ais-az.com
www.AIS-az.com

Recommendation. GFOA recommends that every government publish its budget document and its CAFR on the government's website. GFOA further recommends that governments comply with the following guidelines when presenting these documents on its website:

- The electronic budget document and the electronic CAFR should be identical to the printed versions of these documents;
- The website should prominently notify users that the information in the CAFR has not been updated for developments subsequent to the date of the independent auditor's report;
- The website should prominently inform users whether the budget document presented represents the preliminary budget or the approved budget;
- If a government elects to present the budget documents and CAFRs of prior years, the website should clearly identify these documents as "dated information for historical reference only" and clearly segregate them from current information. A "library" or "archive" section of the website is advisable for this purpose;
- The security of the website should be evaluated to protect it from manipulation by external or unauthorized persons.

Bankruptcy Reform Signed into Law

The President signed the Bankruptcy Reform Act, S. 256, into law on April 20, 2005. The law is aimed at moving more individuals into Chapter 13 partial repayment plans instead of using Chapter 7 to discharge indebtedness. However the law also includes provisions to codify favorable case law regarding the protection of public pension assets from bankruptcy creditors. The law also remedies conflicts that have arisen regarding the treatment of governmental 457 plan assets, mandatory employee pension plans loans- all in favor of ensuring that these assets have a protected status in bankruptcy. In addition, the legislation prioritizes payment of ad valorem property taxes to local governments and school districts, which in the past were subordinated to the claims of other creditors and resulted in loss in revenue.

Application of analytical tools. The availability of the budget document and the CAFR in electronic form makes it easy for users to employ computerized tools to find, extract, and analyze the data contained in these often lengthy documents.

Avoidance of disclosure redundancy. Much information of use to potential purchasers of a government's debt securities is already available in either the budget document or the CAFR. In particular, the statistical section of the CAFR is a rich source of data for investors and analysts. Consequently, the routine presentation of both documents on the government's website may help to avoid redundancy and assist in complying with federally mandated disclosure requirements.

Savings. The length and detail typical of the budget document and the CAFR often make both expensive to print. Electronic publication can help to reduce this cost.

MEMBER PROFILE

Linda York

**Finance
Director, Chino
Valley - New
GFOAz Board
Member**



Where are you originally from?

Burbank, California. I moved to Chino Valley, Arizona in 1993 to escape the city life and live in a rural community where I could have horses, chickens, and gardens. And I do have horses, chickens, and gardens.

Where is your favorite vacation location?

My favorite vacation location is either my own backyard (5 acres), or Post Falls, Idaho where my daughter lives.

What areas of government finance interest you the most?

I am interested in all areas of government finance, however the most challenging and interesting area of late has been dealing with development, a new utilities division, and the impact of growth on the budget.

What other communities have you worked for?

Chino Valley is the only community I have worked for. I have been here for ten years and have never had the desire to go any where else. Chino Valley is a beautiful place. Kind of like a town called "perfect".

What cd's are currently in you stereo?

Big and Rich, George Strait, Brad Paisley and the Eagles.

What is the best piece of advice you have ever been given?

I don't know about the best piece of advice I have ever been given but I do have a favorite phrase that I pull out now and again - "shoot for the moon, even if you miss you'll land among the stars".

New Education Committee Member

We would like to welcome the new members of the Education Committee. They are:

Kim Clark, Account Clerk, Queen Creek
Donna Meinerts, Comptroller, Payson
Mindy Russell, Executive Assistant, Peoria
Cynthia Sneed, Accounting Manager, Chandler

New Members

We have had several new members join GFOAz since January and we look forward to meeting many of you at the Summer Training.

Stephanie N. Whyte, Payroll Specialist - Peoria
John R. Endicott, Financial Services Supervisor - Sedona

Karen J. Gregoire, Accounting Supervisor - Paradise Valley

Ken B. Jones, Senior Consultant - MAXIMUS, Inc.

Boyd A. Kraemer, City Manager - Benson

Cathie Lutch, Senior Accountant - Peoria

Dennis J. Osuch CPA, Partner - Cronstrom & Trbovich, P.C.

J. Scott Douthitt, Finance Director - Tucson

Vera J. Smith, Financial Analyst - Chino Valley

2005 GFOA Conference is Almost Here!

GFOA's 99th Annual Conference - Expanding the Frontiers of Government Finance will be June 26-29 in San Antonio, Texas

Join with other finance professionals to sharpen your skills, acquire the tools, review the strategies, and find the inspiration to serve your constituents better.

Earn up to 20 CPE credits and create your own curriculum from among 60 concurrent sessions and more than 10 discussion groups offering a depth and breadth of subjects to improve the fiscal management of your government.

Register for the conference online or download registration materials.

If you are not already a member, join GFOA today and save on conference registration. Visit www.gfoa.org for more information.

AGFI Scholarship Awarded

Congratulations to Kim Clark of Queen Creek who was awarded the Advanced Government Finance Institute Scholarship. We look forward to hearing from Kim about her experience in a future newsletter.

The Laugh Box

At a business conference in Montpelier, Vermont, the state tax commissioner asked the audience which sort of taxation they found to be the fairest.

There was a pause, and then a white-haired man in the back raised his hand.

"The poll tax," he said.

"But the poll tax was repealed," replied the commissioner.

"Ay-ah," declared the man, "that's what I like about it."

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