



**May 7, 2010**

**Training**

Check calendar and register on-line.

**Employment Opportunities**

See openings or add an announcement.

**VGFOA Certification Program**

Course content & requirements.

**Membership Directory**

Contact someone, or update your information online.

**VGFOA Board**

Meet your Board, see committee assignments, and make contact.

**Do you have a story to share?**

Submit an article to the **Editor** for a future newsletter.

**VGFOA's Strategic Plan!**

Directions for the future.

**PRESIDENT'S MESSAGE**

*Local Government Headlines Read...*

**Virginia Government Finance Officers' Association Remains Strong Despite Challenging Economic Times!**

VGFOA indeed remains strong, and our upcoming 2010 Spring Conference is evidence of this. Our attendance is shaping up to be just as high as in 2009 when it topped 270. This will not reach the record level of 321 set in 2008, but considering these difficult economic times, it speaks well of the value VGFOA provides toward education and professional networking! Thank you to all our supportive members, both regular and associate members.

Speaking of associate members, a quick review of the Spring Conference Web Page at [http://www.vgfoa.org/2010\\_Spring\\_Conference/index.html](http://www.vgfoa.org/2010_Spring_Conference/index.html) reveals a tremendous show of vendor support for VGFOA. Thank you, thank you, thank you to our vendor professionals who support us and make conferences like this one possible. VGFOA is working hard to stay in the game during these difficult times and to continually grow and improve so as to help our membership do the same. Thanks to everyone who makes this possible!

At our conference, we will welcome GASB keynote speaker Randy Finden. We are fortunate to have Mr. Finden join us, and I think his background and experience in Pension Plan accounting comes at a very interesting time given the legislative buzz concerning the Virginia Retirement System.

So travel safe everyone as you journey to Virginia Beach next week. For those who are unable to attend, we welcome you to check out our web site in the days and weeks following the conference where our conference presentations are posted for all members to use. Lastly, please take note of the exciting offer we are making to our members concerning the fall conference and membership dues. Your membership dues for 2011 will be waived if you register for the fall 2010 conference by June 30<sup>th</sup>. This is another way VGFOA is working to give back to our profession and continuing to provide value to our members.

Sincerely,  
Ann Shawver, President

**Renew Membership**

Dues overdue? Renew your membership today.

**VGFOA Announcements & News**

See the latest updates and news.

**National GFOA on the Web**

Visit now.

**NEWSLETTER COMMITTEE**

**Shakeel Yusuf – Chair**

**Joel Comer**

**Karen Cummings**

**Nancy Tracy**

**THE VGFOA SPRING CONFERENCE IS AT VIRGINIA BEACH MAY 12TH – 14TH**

Just picture it. Sunny skies, warm weather, and the sand between your toes! That is just the beginning! You can also visit with great friends and earn 14 CPE credits. Who said you can't have it all? Join us in Virginia Beach at the Hilton Oceanfront for the annual VGFOA Spring Conference on May 12<sup>th</sup>-14<sup>th</sup>.

The Hilton Oceanfront is sold out, but you can make your hotel reservation at the Ocean Beach Club by [clicking here](#)



If you can't stay the entire 3 days of the conference, take advantage of the one day registration option:

One Day Registration Fee for Thursday, May 13th  
Earn up to 6 CPE's for \$100

OR

Attend all three days and earn up to 14 CPEs  
Full Conference Registration is \$200  
Ethics is offered for an additional \$50 with the full conference registration

[Click here](#) to register for the conference.

**VGFOA OFFERS SCHOLARSHIPS TO GFOA'S ADVANCED GOVERNMENT FINANCE INSTITUTE (AGFI)**

The GFOA's Advanced Government Finance Institute (AGFI) will now be held every other year, with the next program set for July 24-29, 2011 at the University of Wisconsin-Madison. The VGFOA hopes to continue offering a scholarship for one member to attend the AGFI when it is offered. For details:

[http://www.vgfoa.org/gfoa\\_AGFI\\_scholarship.html](http://www.vgfoa.org/gfoa_AGFI_scholarship.html).

**Win-win! Apply for an Innovations Award**

Do you like to brag about your accomplishments, or maybe show off just a little? Do you like to win things and save money at the same time? Seize the

opportunity to possibly do both by applying for a 2010 Award for Innovations in Government Finance. Besides having your good ideas and hard work showcased, this year's winners will also receive one free fall conference registration and one night's lodging during the conference.

It's easy to apply. Complete details along, with a fillable application, are available on the VGFOA website under the Member Services link. One award per population group, for a total of four, may be given. Award categories include, but are not limited to:

- Accounting, auditing, and financial reporting;
- Policies and procedures;
- Cash management and investing; and
- E-government and technology.

The application deadline is July 15, 2010. Winners will be notified by September 1st and awards will be presented at the fall VGFOA conference to be held October 6th through 8th in Roanoke.

Go ahead — brag a little. It will feel great and even better, you could win!

## **GASB Proposes to Amend Financial Reporting Entity Requirements**

The Governmental Accounting Standards Board (GASB) issued an Exposure Draft (ED) of a proposed Statement, *The Financial Reporting Entity*. The proposed Statement is intended to improve guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

The proposed Statement is intended to improve financial reporting of component units, which are legally separate organizations that state and local governments include in their financial reports. It would modify the existing criteria for inclusion of organizations that are “fiscally dependent” on a government by adding a requirement that the potential component unit and the primary government also have a financial benefit or burden relationship.

The proposed Statement also would amend the criteria for “blending,” or the reporting of component units as if they were part of the primary government. It also would clarify the reporting of equity interests in legally separate organizations.

GASB constituents are encouraged to review the ED and provide written comment by June 30, 2010. The ED may be downloaded from the GASB's website at <http://www.gasb.org/exp>.

## **The GFOA “Adamantly Opposes” GASB Fiscal Sustainability Initiative**

In December 2009, the Governmental Accounting Standards Board (GASB) added a project on fiscal sustainability reporting to its technical agenda. The

project considers the need for financial reports to provide information useful in assessing “the risks associated with a government’s intergovernmental financial dependencies.” The project also considers inclusion within financial reports the “concept of forward looking information (projections).”

The GFOA Executive Board, at its March 2010 meeting, unanimously passed a resolution stating that the GFOA “adamantly opposes any effort on the part of the GASB to set standards of reporting for fiscal sustainability.” The GFOA believes that “the issue of assessing a government’s future fiscal sustainability clearly is beyond the scope of accounting and financial reporting”, that the GASB’s initiative “exceeds its legitimate authority and expertise,” and is an “inappropriate use of scarce resources.”

The full text of the resolution (“The GASB Should Not Set Standards for Fiscal Sustainability Reporting”) can be found on the GFOA’s Web site at [www.gfoa.org](http://www.gfoa.org).

## **Moody’s Unveils New Global Rating Scale**

Moody’s Investor Service unveiled its new global rating scale, which is intended to rate municipal and corporate securities in the same manner. The GFOA has been calling on Congress and the rating agencies to move to a uniform rating scale for all securities, based on the likelihood of default, due to the fact that over the years, municipal securities have been rated on a more rigorous scale than their corporate counterparts, despite the fact that the municipal bond sector’s default ratios are substantially lower than for corporate bonds.

Moody’s will be adapting all 70,000 of their municipal ratings, representing over 18,000 issuers, to the global scale throughout April and May. Information about Moody’s global scale ratings and the timetables for when the recalibrations will be released can be found at [www.moodys.com/gsr](http://www.moodys.com/gsr).

## **Fitch Announces Recalibration of U.S. Municipal Bond Ratings**

Fitch Ratings is proceeding with the recalibration of certain of its U.S. Public Finance credit ratings. Fitch initially announced the initiative in July 2008, but suspended it in October of that year in the midst of the financial crisis. This recalibration will affect ratings in the following municipal bond sectors:

- State and local governments
- Tax supported
- Water/sewer
- Public power distribution-only; and
- Public higher education
- Other U.S. public finance sectors will not be affected

Fitch will adjust upward by two notches state and local general obligation (GO) ratings and those dependent upon them (e.g. lease revenue bonds) if the GO rating is currently 'A' to 'BBB-'. Fitch will adjust upward by one notch state and local GO and dependent ratings where the GO rating is currently 'A+' or higher.

Fitch will adjust upward water/sewer and public power distribution-only credits in the same manner as GO ratings.

Fitch will adjust special tax backed bonds currently rated from 'AA+' to 'BBB-' upward by one notch. Fitch will adjust public higher education ratings upward one notch where the rating is currently 'AA-' to 'BBB-'. No adjustment will be made on public higher education ratings of 'AA' and higher Ratings in the affected sectors that are currently below investment grade will be considered for recalibration on a case-by case basis.

Recalibrations for states, as well as the District of Columbia, New York City, and the Commonwealth of Puerto Rico will be implemented on April 5, 2010. Fitch will revise the remaining tax-supported ratings along with water/sewer, public power distribution-only, and public higher education ratings April 30, 2010. The recalibration of certain public finance ratings should not be interpreted as an improvement in the credit quality of those securities. Rather, they are adjustments to denote a comparable level of credit risk as ratings in other sectors. To be sure, as noted in Fitch's new report, public finance issuers continue to face a range of significant economic, fiscal, and credit challenges.

Fitch will continue to monitor all of its public finance ratings and make changes to its ratings as our forward-looking views of credit risk evolve. Additional information is available in Fitch's new report, 'Recalibration of U.S. Public Finance Ratings, which is available at <http://www.fitchratings.com> .

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## **VGFOA REGIONAL EVENTS**

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### **VGFOA PENINSULA REGIONAL ORGANIZATION**

Newly formed Peninsula region located between Central and Hampton Roads, is looking for volunteers to help launch the organization's activities. Please contact Regional Organization Chair, Karen Woodson - [kwoodson@cityofchesapeake.net](mailto:kwoodson@cityofchesapeake.net) for details.

### **VGFOA NOVA REGIONAL TRAINING EVENT IN APRIL**

A special thanks goes to John Hanson of Artifice Forensic Financial Services for speaking to the NOVA Region on "Preventing, Detecting and Responding to Fraud" on April 15th. What a great presentation! Also, thanks to PBGH, LLP, and Artifice Forensic Financial Services for sponsoring the great pizza lunch!

We are trying to plan the next training opportunity for August. Continue to check your email and the VGFOA website for updates. If you have any suggestions for speakers, sponsors or topics, please do not hesitate to contact Kim Williams. Your input is encouraged and appreciated!

### **VGFOA SOUTHWEST REGIONAL TRAINING EVENT**

Plans are underway for a training event to be held at the Roanoke Higher Education Center on June 18th. Stay tuned and check the [www.vgfoa.org](http://www.vgfoa.org) website for updates.

## VGFOA CENTRAL REGION TRAINING EVENT SCHEDULED FOR MAY 10, 2010

The VGFOA Central Regional Organization is having a training event scheduled for Monday, May 10th, 2010, from 9 a.m. – 3 p.m. at the Henrico County Training Center. Topics include an ARRA Update, GASB Update, Single Audit Update and other accounting topics. The event cost is free and includes lunch. Registration is available through the VGFOA Regional Organization calendar website.

## VGFOA HAMPTON ROADS REGION TRAINING EVENTS

### BREAKFAST CPE EVENTS

#### **June 10, 2010 – *The Story Behind the Numbers***

Quality Inn Lake Wright, 6280 Northampton Blvd, Norfolk

**Donna Hildebrand, CPA, MBA**, Controller for the City of Chesapeake, and **Terrie Pyeatt, CPA**, Director of Internal Audit for Virginia Beach Public Schools, will provide a look at how your organization's numbers really tell a financial story. Practical techniques will be discussed that will help staff accountants analyze financial statements, account activity and internal controls.

*Registration deadline: June 3, 2010*

### AFTERNOON TRAINING

#### **May 25, 2010 – *An Inside Look at GASB 54.***

Virginia Beach Municipal Complex

**Jack Reagan, CPA, Partner, KPMG LLP**, and **Rob Churchman, CPA, Partner, KPMG LLP**, will talk about the changes in the way we will present our fund balance classification information, including some new nomenclature required under GASB 54. This is a "don't miss" for anyone responsible for any part of CAFR preparation. The event cost is \$20 and will be held from 1:00 – 5:00 p.m.

*Registration deadline: May 18, 2010.*

*The Virginia Government Finance Officers' Association shall be the premier organization in developing leaders with financial and management expertise through education, fellowship and professional development to foster excellence in government.*