

PRESIDENT'S MESSAGE

Susan L. Morrow, MMC



To each and every member of IIMC:

The winds of change blew through IIMC during my term as President. Please permit me to be

concise regarding the enormous amount of activity during this year by reporting to you in list format.

1) Financial Condition

- The Organization, although stable, experienced one-time financial expenses in 2005.

According to our independent auditors, the current year financial statement disclose a loss of approximately \$125,000 which was reduced by \$47,000 to a loss before depreciation of \$78,000. It is important to note that IIMC was able to sustain this loss due to the availability of unrestricted net assets. As of December 31, 2005, available net assets are \$102,000. In addition, it was noted that this loss can be attributable to increased costs over the prior year in the following areas: legal fees, rent, increase mortgage interest and travel.

- Income remained stable, however.
- The mortgage on our headquarters building in Rancho Cucamonga, CA, has been refinanced at a rate 2% below what we were previously paying.
- The contract to provide services for Municipal Clerks Education Foundation was revised and is functioning well.

2) Education Department

- The search for a Director of Education and Research was directed by Dr. Frank Adshead, IIMC's first Director of Education who retired from this position after 15 years of service to IIMC.

A committee comprised of the members of the Executive Committee, Board representative, Region V Director Sally Oglesby, MMC, Tennessee, and Missouri Institute Director Dr. James Kaatz conducted the candidate search, back-

ground review, and interview process with attention to detail and with the needs of IIMC paramount.

- The DOE/R committee recommended Dr. Mohammad Eftekhari to the Board and the Board accepted the recommendation. Dr. Eftekhari began employment in November 2005. Although he is back at the California headquarters, Dr. Eftekhari began his IIMC career in the satellite office in Arlington, VA. Telecommunications, including video conferencing with our headquarters, has proven to be an appropriate manner in which to operate a satellite office.
- Dr. Eftekhari has begun the process of program review, personal contact with Institute Directors, and attendance at various IIMC meetings and programs. He has also presented to the Executive Committee a through report of the satellite office location and its feasibility. He researched the present and future technological needs of the IIMC.

3) Membership

- Membership figures remained steady.
- Efforts were made to present IIMC to the Association of Transportation Clerks. It is anticipated that these efforts will conclude with IIMC being invited to address the 2006 conference of this organization. A professional affiliation and/or incorporation would be the goal of this contact and future negotiations.
- Database management improved with the staff now able to send e-blasts to more than 8,000 members.
- The "Membership 500" campaign concluded with acceptable success.
- A new membership campaign, "*Five From The Power of One*" began in April 2006.

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4) Personnel

- Mr. Chris Shalby was contracted as Interim Executive Director in July 2005. Mr. Shalby has been IIMC's Communications Director for 12 years. He brings a strong background of the knowledge and commitment to the Organization, and is well respected by the members, the staff, and the Board of Directors.
- Dr. Mohammad Eftekhari was hired in November 2005 as a fulltime employee as Director of Education and Research.
- Mr. Richard Klabunde was contracted as Accounting Manager.
- Support staff remained in tact except for the departure of two staff and the hiring of one new person. Special appreciation is extended to each and every staff member for their commitment to IIMC during this time of transition.
- All staff entered into a comprehensive training program using existing hardware and software.

5) 2005/06 Committee Work

- Committee structure is appropriate.
- The name of the Election Credentialing Committee was changed to Elections Committee opening the door for this committee to expand its operation. The new name and new purpose statement encourages the committee to disseminate information on elections anywhere in the world. They are also encouraged to undertake special projects such as "Ballots and Boxes from Around the World", which was displayed at the 2006 Education Conference in Anaheim, CA.
- Two Task Forces remain active and viable: The Property Assessment Task Force, charged with assessing the appropriate location for IIMC headquarters and satellite offices; The Constitution Review Task Force, charged with review of the existing document and updating it to meet the current operation of the Organization.
- The Accreditation Task Force, whose assignment has now been transferred to the Education Department, is recommended for dissolution.

- The Retired Clerk Task Force was created to prepare a comprehensive program for retired members to keep them active in IIMC. At the present time, 283 retired Clerks retain their membership. The retirees have been surveyed and various initiatives are being prepared.
- The First Vice President served as overseer of the committee work and reported to the Executive Committee at each of their meetings

6) Technology

- New, brand name computers with warranties were purchased for eight staff members.
- Technology support was contracted on an as-needed basis.
- The e-mail system was revamped and has now functioned without interruption for nearly one year.
- The main server of the computer system was replaced with quality equipment suitable to our Organization's size and its technology needs.

7) Satellite office

- Office space was rented in Arlington, VA in the headquarters of the NCSA ACCESS Office, an organization affiliated with the University of Illinois. This space includes the supercomputing center which opens the door for international communications with our membership.
- The appropriateness of this decision is a subject of ongoing review relating to the need for the worldwide computer system and the cost of the office space.

8) Communications

- E-mail has been used as the primary form of communication for committees and Board work. It is efficient, accessible and timely.
- An e-mail policy was written for staff and is currently under review by the Association's attorney

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- E-blast was used to communicate with the membership on important issues such as the donation to help the victims of the Katrina and Rita Hurricanes.
- The web page experienced significant difficulties, including an interruption in the Distance Learning project. These challenges have been overcome with the assistance of a new webmaster. The web page and distance learning operations are now functioning well.
- The IIMC magazine, the *News Digest*, continues to offer benefits through the contents and the income from advertisement. It is a viable method of communication.
- Interim Executive Director Chris Shalby communicated with the Board weekly via his "Friday Letters." E-mail was used for this communication.
- I communicated with the Board regularly with "Updates from the President." Board responses to subjects that needed direction were tracked by me to validate the decision to proceed in a specific direction.
- Many Region Directors produced electronic newsletters to communicate with the members in various states in their region. The Second Vice President served as my liaison to the Region Directors. He reported to the Executive Committee regarding their activities.

9) Special Events and Programs

- When two significant hurricanes devastated the communities of so many of our members, IIMC contributed \$7,500 to the American Red Cross to assist the communities in their recovery process. IIMC also established a database of communities that wanted to assist and those that needed assistance. This database continues to exist. Members from communities that still have needs emanating from this disaster may contact IIMC for further assistance.
- My gift to the delegates at the 2005 conference was a copy of the book *Leadership Jazz* authored by

Max DePree. Dr. Walter Wright, Executive Director of the DePree Leadership Center in California led the membership through a chapter-by-chapter explanation of the book by submitting a monthly article which was published in the *News Digest*. Dr. Wright concluded this project as a speaker at the 2006 conference in Anaheim.

- The Athenian Leadership Society was formally organized, guidelines were established, and sessions were conducted in various settings. The Society is planning its first session to be conducted outside North America in Malta this Fall with participants from the European continent.
- Two members volunteered to be Historians for IIMC. This Presidential appointment is the first of its kind. I look forward to the work of these two members, Susan Iverson, and Donna Dutton, NY. The position of IIMC Historian should serve our membership well as we celebrate 60 years of existence in 2006.
- The 2006 conference location was changed to Anaheim in October 2003. The City Clerks Association of California and our host Clerk Sheryll Schroeder, CMC, Anaheim are to be congratulated for all their work. Many changes to the traditional IIMC conference format took place at the 2006 conference. These changes are an example of the conference theme becoming a reality, "Leadership With Imagination."
- The first initiative with our partner IFES was submitted. Although at first IIMC was informed that it would be part of the education program of the new government in Gaza West Bank, IIMC has since learned that the grant was not awarded to IFES. We, IIMC and IFES, will continue to work together on other projects which will use our talents. As soon as a project is approved, IIMC will select its Ambassador Team to serve as the project's leaders.
- The members of Society of Local Council Clerks (SLCC) in England would like to have an Exchange program with IIMC members. In a

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News Digest article, I asked interested IIMC members to contact IIMC headquarters to begin planning of this program, however, no one responded, therefore, no program has begun. If you have an interest in helping to write this program, SLCC is still interested in working with IIMC.

- A Study Tour in cooperation with the Society of Local Council Clerks is being planned. Details will be announced soon. I look forward to Clerks meeting Clerks and learning from one another.
- The generosity of IFES in loaning IIMC ballot boxes and ballots that they have collected from various elections around the world offered an unprecedented experience for the 2006 IIMC conference attendees. For the first time a display of "Ballots and Boxes From Around the World" was exhibited in a quality, museum-type format. Informational materials were available, and each delegate was able to visit the display to take advantage of this exceptional experience.

Thank you to each member for being patient as the winds blew during my term as President. I believe the winds have subsided and the condition of the Organization is strong and growing stronger every day. I also believe that IIMC is an Organization of which each member can be proud.

As a footnote to this report, please permit me to share some personal reflections with you. When I flew on IIMC business this year, I would look down on the ground and think of who might be on the earth below. I noticed that there are no lines separating our states and countries or people from people. I was reminded that a laugh or a cry is an international language. I was always proud of who we are and the work we do in our local communities. I was keenly aware of the awesome creation of the planet earth by God. There were many spiritual moments during this year, and I thank you for each experience that placed these wonderful feelings in my heart and mind. When I lost the election for IIMC 2nd Vice President in 1995 by less than 10 votes I was devastated. This year, as I served as your President, I

was challenged to use all the leadership skills which had developed during my lifetime, and I realized that I was in the right place at the right time to use these skills for an Organization that has shaped my career as a Clerk. Thank you for the gift of this challenge.

We are.

We can.

We will.

Invest our all in the International Institute of Municipal Clerks.

Susan L. Morrow, MMC

President 2005-2006

International Institute of Municipal Clerks

HEADQUARTERS UPDATE



Last year, as IIMC experienced internal changes, restructuring and a sense of rebuilding, it continued to work on improving communication with the members while maintaining a high level of service delivery. The Education Department with its new Director of Education, Dr. Mohammad Eftekhari, worked to improve current programs and develop new ones. The continuation of the Athenian Leadership Society, replete with guidelines and objectives grew, Distance Education, and the On Line/On Land Institute for Wyoming Clerks may have begun a trend with other states who are challenged in proximity with Institute attendance.

STAFF

Staff continues to provide the Organization with excellent support, innovative ideas and a caring and healthy appreciation for the members. From Education to Membership to Communications, staff functions as a solid and cohesive team, working with the Executive Committee and the Board of Directors to implement projects and programs for the membership. This year, IIMC contracted with Illinois-based Association Solutions to help oversee IIMC Conference Planning.

IIMC IN CONSTANT FLUX

Many new ventures helped shape the Organization this past year. The Central and Eastern European Institute which officially kicked off its IIMC-approved Institute in October of 2004, in Sophia, Bulgaria, is finishing its first program with approximately 20 IIMC members nearing graduation and receiving their CMCS. New Education developments, the fruition of establishing new Institutes and the continuation of existing programs remain a mainstay in our Organization.

MEMBER SERVICES

IIMC continues to look for new and innovative ways to increase the value of its membership. IIMC currently provides new members with an IIMC Membership pin; the *Language of Local Government* booklet; an affiliation agreement with Liberty Mutual Insurance for discounted Home and Auto insurance; and the MBNA credit card program.

The Organization entered into an agreement with the National Association of Parliamentarians to promote and market the book: *Parliamentary Procedures in Local Government*. IIMC also promotes *Mina's Guide To Minute Taking*.

SPONSORSHIP

IIMC is continuously searching to increase sponsorship opportunities. SPONSORSHIP infuse additional revenue to help defray conference costs and/or other programs and the printing and production of current or new publications.

WWW.IIMC.COM

IIMC's web site has been revamped to keep members updated on a timely basis. The site is aesthetically pleasing and easy to use. Members can access information on the current Conference, new Education programs, membership applications, and download certification and recertification applications. For information on Board members or staff, visit www.iimc.com.

NEWS DIGEST

The *News Digest* continues to be IIMC's monthly form of communication with its members. It is a reliable source of education and information. This past year, the *News Digest* carried extensive articles about IIMC; and Education and Professional Development and Management articles. It also ran a series of articles provided by Dr. Walter Wright on the book *Leadership Jazz*. You can expect to see more articles in the future on leadership, management, personnel and technical training, all specifically geared to the Municipal Clerk experience.

HEADQUARTER'S UPDATE

MEMBERSHIP

IIMC membership held steady this year with approximately 10,300 members. Staff developed the Five From The Power Of One membership recruitment campaign. IIMC's Region XI membership continues to grow with members in Taiwan, Thailand, Cameroon, Hungary, the Netherlands, United Kingdom, Australia, New Zealand, Belgium, Bulgaria, Israel, Scotland, South Africa, and Nepal.

FINANCIALS

IIMC ended the 2005 calendar year with a decrease in unrestricted net assets of \$33,525, total equity of \$465,491 of which \$300,000 was cash. Corporate sponsorship remains strong with more than \$60,000 in revenue.

For complete details, please refer to the Auditors financial statements in this report.

OUTREACH

Continuing in our efforts to reach out to members, the President, or a member of the Board or staff attended State, Provincial and National Association meetings in various states and countries. IIMC was an exhibitor at the International City Managers Association conference.

ON THE HORIZON

IIMC looks to develop new and exciting programs for its members and work to provide more publications on key topics to the membership.



Incoming Board of Directors at 2006 Conference in Anaheim, California.

*President Morrow congratulates
South Africa's IMASA's
new President Francois Allers. In the
background is Johannesburg's Mayor.*



INDEPENDENT AUDITOR'S REPORT

About Our Financials

Board of Directors
International Institute of Municipal Clerks

We have audited the accompanying statement of financial position of the International Institute of Municipal Clerks ("Institute") as of December 31, 2005, and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Institute of Municipal Clerks as of December 31, 2005, and the changes in net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Romero & Associates, LLP
Certified Public Accountants
April 7, 2006

STATEMENT OF FINANCIAL POSITION

December 31, 2005

ASSETS

Assets

| | |
|---|--------------------|
| Cash and cash equivalents | \$ 21,166 |
| Accounts receivable - other | 63,179 |
| Inventory | 26,998 |
| Prepaid expenses | 65,684 |
| Conference prepaids | 3,050 |
| Total Current Assets | 180,077 |
| Property and equipment, less accumulated depreciation | 1,206,102 |
| Capitalized cost, less accumulated amortization | 2,810 |
| TOTAL ASSETS | \$1,388,989 |

LIABILITIES AND NET ASSETS

| | |
|---|--------------------|
| Accounts payable | \$ 95,153 |
| Accrued liabilities | 40,735 |
| Deferred revenue | 316,515 |
| Mortgage note payable, current portion | 10,715 |
| Total Current Liabilities | 463,118 |
| Mortgage note payable | 959,396 |
| Total Liabilities | 1,422,514 |
| Net Assets Unrestricted | (33,525) |
| TOTAL LIABILITIES AND NET ASSETS | \$1,388,989 |

STATEMENT OF ACTIVITY

December 31, 2005

REVENUE

| | |
|-------------------------------------|-------------------------|
| Membership dues | \$ 850,554 |
| Conference | 612,437 |
| Education | 163,988 |
| Marketing development and promotion | 86,731 |
| Building rental | 71,921 |
| Administration | 18,519 |
| Interest | 6,300 |
| | <hr/> |
| TOTAL REVENUE | <u>1,810,450</u> |

EXPENSE

Program Services

| | |
|---|-------------------------|
| Education | 326,930 |
| Conference | 479,208 |
| Member services | 269,220 |
| Marketing development and promotion | 104,651 |
| Building/Supporting Services Administration | 728,822 |
| | <hr/> |
| Total Expenses | <u>2,003,928</u> |

Decrease in Unrestricted Net Assets (193,478)

Net assets, beginning of year 465,491

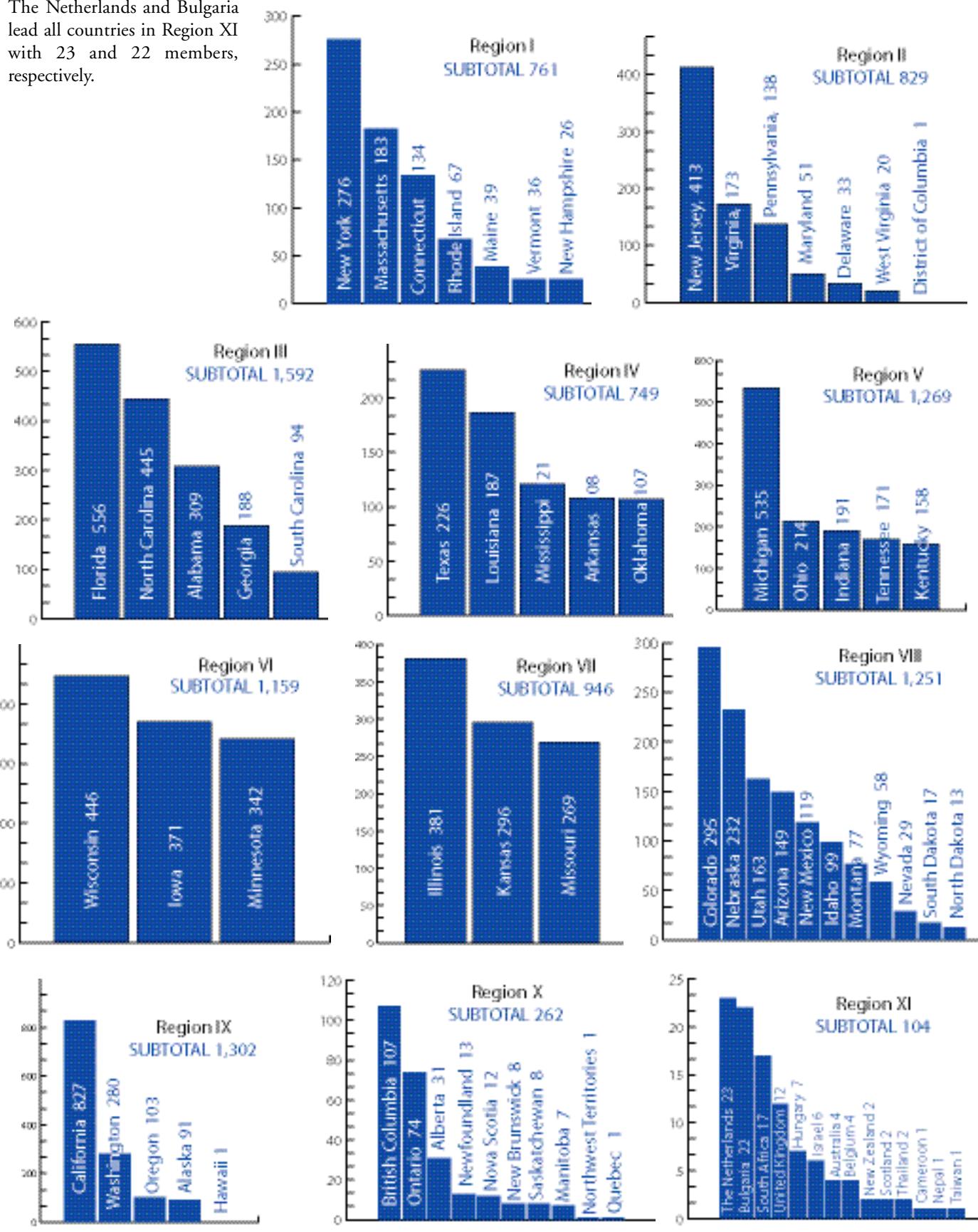
Cumulative effect on prior years of applying retroactively

The new method of accounting revenue (305,538)

Net Assets End of Year (33,525)

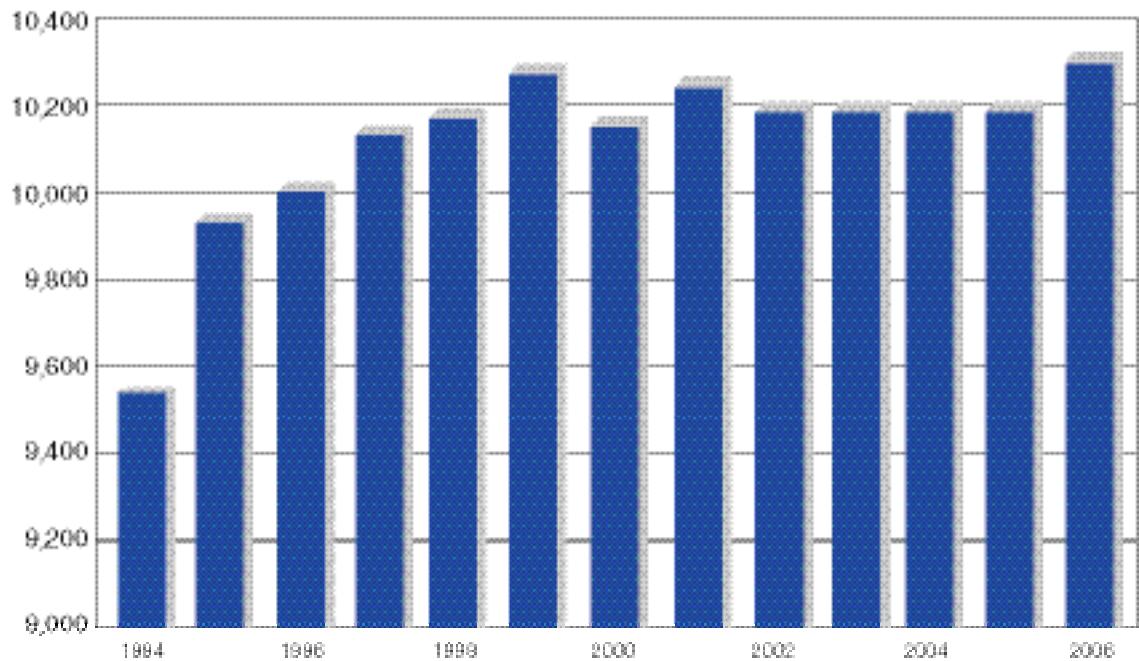
IIMC STATE/REGIONAL MEMBERSHIP

The following chart represents IIMC membership in each state, province and country. As of May 31, 2006, California leads all states in membership with 827, an increase of 24 new members in 2006. Region III (AL, FL, GA, NC and SC) leads all Regions in total membership with 1,592, an increase of 50 new members in 2006. British Columbia leads all members in Canada with 107. The Netherlands and Bulgaria lead all countries in Region XI with 23 and 22 members, respectively.

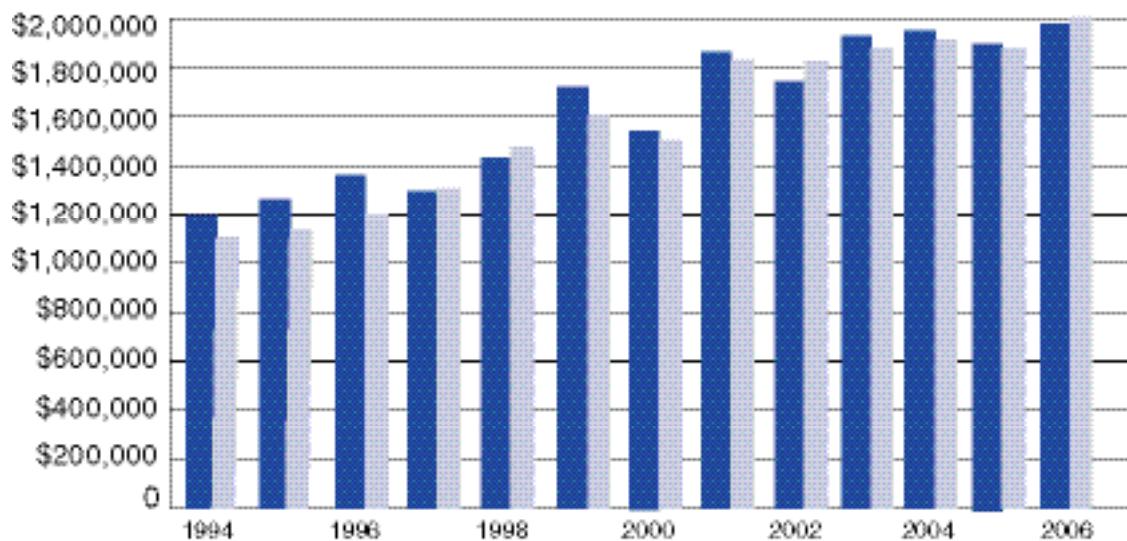


MEMBERSHIP & ANNUAL REVENUE

Membership



Annual Revenue & Expenditures

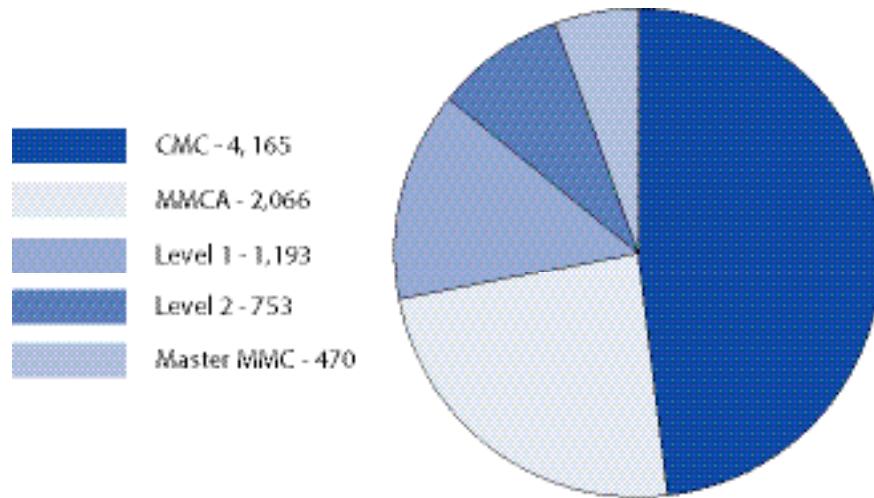


CMC & MMCA FIGURES

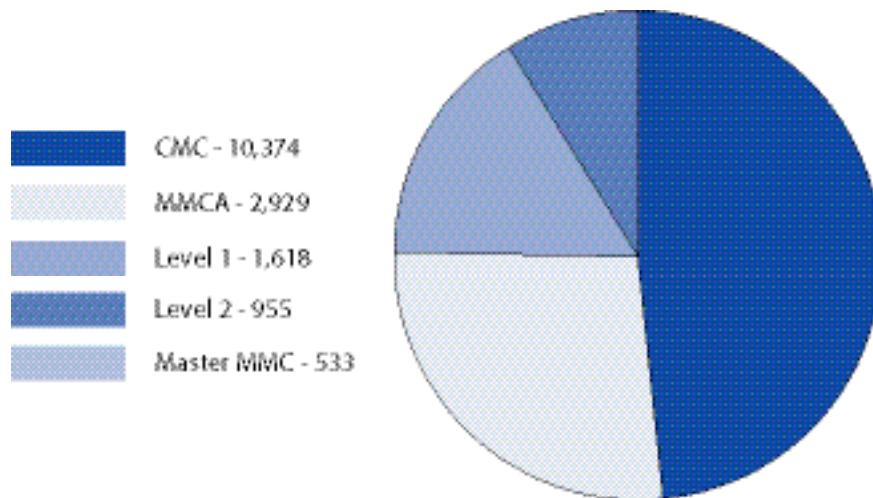
Certification and Master Municipal Clerk Academy Figures

The Certified Municipal Clerk program began in 1971.

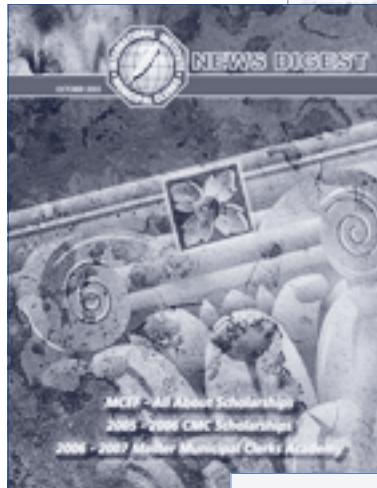
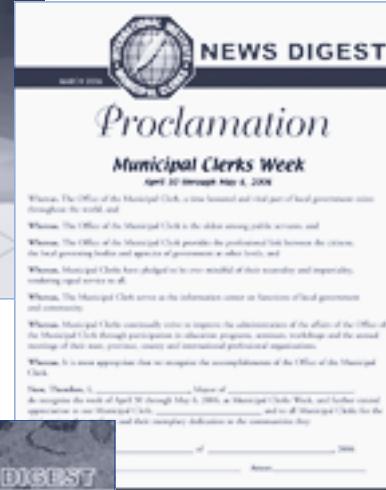
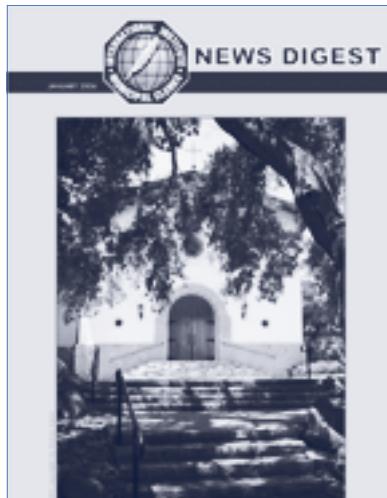
TOTAL ACTIVE CLERKS AS OF MAY 31, 2006



TOTAL CLERKS SINCE INCEPTION OF PROGRAMS



LOOKING BACK



BOARD OF DIRECTORS



PRESIDENT

Susan L. Morrow, MMC
Township Clerk
Plainfield Charter Township
Belmont, MI



FIRST VICE PRESIDENT

Marcella H. O'Connor, MMC
Municipal Clerk
Uralla Shire, Australia



SECOND VICE PRESIDENT

Charles Tokar, MMC
**Village Clerk/
Budget Officer**
Village of Chicago Ridge, IL



IMMEDIATE PAST PRESIDENT

Elizabeth H. Kiss, MMC
Municipal Clerk
East Brunswick, NJ

2006 EXPIRATION

Patricia A. McCoy, MMC
Town Clerk/Treasurer
Poultney, VT
Region I

Dyanne Reese, CMC
Clerk of Council
Savannah, GA
Region III

Mary Lynne Stratta, MMC
City Secretary
Bryan, TX
Region IV

Patricia Burch, MMC
City Clerk/Treasurer
Whitesville, KY
Region V

Sandi Behrens, MMC
City Clerk
Albert Lea, MN
Region Vi

Tom Roberts, CMC
City Clerk
Kansas City, KS
Region VII

Gail Waibel, MMC
City Recorder
Hillsboro, OR
Region IX

Ronny Frederickx
City Secretary
Essen, Belgium
Region XI

Tina Ward Shuart, MMC
Town Clerk/Collector
Cobleskill, NY
Region I

Phillip J. Campbell, MMC
Asst. to County Exec./
Clerk to Board
Prince William County, VA
Region II

Cheryle R. Ratliff, CMC
City Clerk
Greenville, SC
Region III

Sally Oglesby, MMC
City Clerk
Crossville, TN
Region V

Buster Brown, CMC
City Clerk
Omaha, NE
Region VIII

Sheri L. Pierce, CMC
City Clerk
Valdez, AK
Region IX

2007 EXPIRATION

Allan R. Susen, CMC
Municipal Clerk
Haledon, NJ
Region II

Gloria D. King, MMC
Town Clerk
Delhi, LA
Region IV

Carol S. Alexander, CMC
City Clerk
Beloit, WI
Region VI

Brenda M. Cirtin, MMC
City Clerk
Springfield, MO
Region VII

Gloria A. Leija, MMC
City Clerk
Casa Grande, AZ
Region VIII

David W.J. Calder, CMC
Commissioner of Public Access
and Council Services
Cambridge, Ontario, Canada
Region X

