



## President's Message

Hafa Adai AGA members! August is a very busy month for our chapter as we prepare to host the 2016 Guam Professional Development Conference from September 12-14 at the Westin Resort.

Your Planning Committee is hard at work coordinating all the details as we inch closer to the 2016 GPDC.

Our AGA National President, Doug Glenn will be here and will speak on analytics during the conference and on leadership during our monthly membership meeting on September 14. AGA Past National President Dr. Billy Morehead will also be speaking on a variety of interesting topics throughout the conference. The GPDC will offer many more speakers from Guam's professional community.

We will also present a review course on Part One of the CGFM Exam: Government Environment. This is a great opportunity to start your path to certification and stand out among your peers. So don't forget to register and early registration is open until August 26. Registered non-members receive a FREE AGA membership!

Please join us at this month's membership meeting at the Sheraton Laguna Resort on August 24. Our guest speaker will be Mr. Mark Calvo, the Governor's Chief of Staff who will discuss the government of Guam's capital improvement projects.

We will also start tracking attendance for all members to qualify for the raffle to attend next year's AGA National Professional Development

Training in Boston. To qualify, AGA members must attend eight of ten chapter meetings and volunteer for a community service activity to qualify for the 2017 PDT in Boston.

One of our biggest community service events is our annual 5k run. Last month's membership meeting was dedicated to our sponsors and volunteers who supported our 15<sup>th</sup> 5k run held on June 25. I want to thank everyone for their commitment to our efforts to raise funds for our notable scholarships. Frances Danieli did an outstanding job coordinating the event.

Remember, we are always looking for new faces on the Chapter Executive Committee. If you want to serve your Guam chapter by being a part of an exceptional team, just let me or any of your CEC members know. We'd be so happy to have you join us. And I look forward to seeing everyone at our next membership meeting!

Have a great day!

**Yuka Hechanova, President**

## PLATINUM AWARD

Program Year

2015-2016



# AGA Guam Chapter: Monthly General Membership Meeting

## AGA Guam's Upcoming Events & Reminders

### General Membership Meeting

Wednesday, August 24, 2016

11:30pm—1:00pm

#### LOCATION

Sheraton Laguna Guam Resort  
Media Room

AGA Members - \$15

JAS Members and Association of Jr.

Accountants - \$10

Non-Members - \$25

### August General Meeting "Guam Capital Improvement Projects"

<http://www.aga.guam.net/>

#### MONTHLY LUNCH WINNER

Congratulations to our  
July Lunch Raffle  
Winner



Jason K

## August General Membership Meeting

The AGA Guam Chapter will be holding its August 2016 General Membership Meeting Wednesday, August 24, 2016 at the Sheraton Laguna Guam Resort Media Room. Doors open at 11:30AM and meeting begins at 12:00PM.



Photo from PDN

We will be honored with the presence of Governor's Chief of Staff Mark Calvo as our Guest Speaker regarding "Guam Capital Improvement Projects."



L-R Frances Danieli, Community Service Chairperson accepts the Community Service Award, Matt Quinata the Newsletter Award and Jojo Guevara, accepts the CGFM Service Award during our July General Membership Meeting.

### AGA Guam Chapter Officers:

**Yukari B Hechanova, CPA, CGFM, CIA**

President

[yhechanova@guamopa.org](mailto:yhechanova@guamopa.org)

**Josephine G. Villanueva, CPA, CGFM**

Treasurer

[josieg@gmail.com](mailto:josieg@gmail.com)

**Artemio "Ricky" Hernandez, CGFM**

Immediate Past President

[artemiorh@gmail.com](mailto:artemiorh@gmail.com)

**Clariza Mae Roque**

President-Elect

[croque@guamopa.org](mailto:croque@guamopa.org)

**Florengine Dela Cruz**

Secretary

P.O. Box 1124 Hagatna, Guam 96932

PH. (671) 475-0390; FX. (671) 472-7951; Email: [agaguamchapter@gmail.com](mailto:agaguamchapter@gmail.com)

Websites: [www.aga.guam.net](http://www.aga.guam.net); [www.facebook.com/agaguamchapter](https://www.facebook.com/agaguamchapter)



## AGA Guam Chapter: CONGRATULATIONS!

### July General Membership Meeting

#### Thank you 5K Sponsors

Our July meeting was held to invite our 5K Sponsors to lunch to thank them for their continued support of our 15th Annual Accountability 5K Run/Walk. The proceeds of our 5K Run/Walk will be used to fund the **Herminia Dierking Scholarship** for University of Guam (UOG) students and the **AGA Guam Chapter Scholarship** for Guam Community College (GCC) students.



**Deloitte and Touche**



**Bank Pacific**



**Bank of Guam**



#### Congratulations AGA Guam Chapter

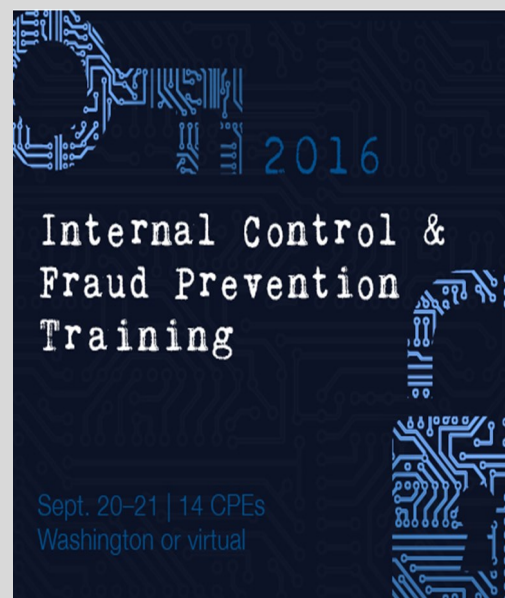
Our AGA Guam Chapter received several awards during our National's Professional Development Conference in Anaheim, California. Congratulations to our Guam Chapter in receiving the following awards:

1. Chapter Recognition Award– Platinum Chapter
2. Chapter CGFM Award
3. Community Service Award
4. Chapter Newsletter Award.

## AGA Guam Chapter: TRAINING OPPORTUNITIES/Guam PDC Awards



The AGA Guam Chapter, in association with the Guam Society of Certified Public Accountants is hosting the biennial Guam Professional Development Conference (GPDC) from September 12 to 14 at the Westin Resort Guam. You can earn up to 24 CPEs at this training event. Some of the courses include Ethics, Leadership, Cyber Security, and Trends in Government Financial Management. As part of the GPDC, we will also be offering a two-part review session for on the Certified Government Financial Manager examination- Governmental Environment. Kindly refer to registration forms which you can find at our website.



### Guam Professional Development Conference Award Nominations

The AGA Guam Chapter is seeking nominations for its biennial chapter awards program to be awarded at the 2016 Guam Professional Development Conference. Deadline to submit nominations is Friday, August 19, 2016 and may be emailed to [agaguamchapter@gmail.com](mailto:agaguamchapter@gmail.com). Nomination forms can be found on our website at [www.aga.guam.net](http://www.aga.guam.net). The awards include:

1. **Professor John M. Phillips Excellence in Government Accountability Award** (Recognizes the cumulative achievements of a government professional that has, throughout his/her public career, served as a role model for others and has consistently exhibited the highest personal and professional standards. Nominations are open to federal, local, or state government employees, and elected or appointed officials on Guam)
2. **Chapter Service Award** (Recognizes an individual whose participation is above and beyond the call of duty, for matters that have made a positive impact and improvement on Chapter operations, membership, etc.)
3. **Chapter Education Award** (Recognizing an AGA Chapter member who has demonstrated an outstanding commitment to providing educational opportunities that promote the Chapter)
4. **Community Service Award** (Recognizes an AGA Guam Chapter member who has demonstrated an outstanding commitment to volunteer community service by participating in a volunteer community service project or projects.)
5. **Agency/Organization Chapter Service Award** (Recognizes outstanding support provided by an agency or organization to the AGA Guam Chapter. Eligible agencies will have consistently made important contributions in support of the development and enhancement of AGA. All public and private organizations/agencies are eligible for this award.)

***Any questions or comments may be directed to Vincent Duenas, Programs Director, at [agaguamchapter@gmail.com](mailto:agaguamchapter@gmail.com)***

### **IRS Warns About 'Federal Student Tax' Scams**

Washington, D.C. (August 18, 2016)

By Jeff Stimpson

Telephone scammers may target students and parents during the back-to-school season and demand payments for such non-existent taxes as the "Federal Student Tax," the IRS has warned.

IRS impersonators may call students and demand that money be wired immediately to pay a fake federal student tax, according to the Service. As in other similar scams, if the taxpayer doesn't comply, the scammer becomes aggressive and threatens to report the student to the police to be arrested.

This year, the IRS has seen scammers use a variety of schemes to fool taxpayers into paying money or giving up personal information, including altering the caller ID on incoming phone calls to make it seem like the IRS, the local police or another agency is calling; imitating software providers to trick tax professionals; demanding fake tax payments using iTunes gift cards; soliciting W-2 information from payroll and human resources professionals; "verifying" return information over the phone; and pretending to be from the tax prep industry. The IRS reminds taxpayers and preparers that it generally will first mail a bill for any taxes owed and doesn't threaten to immediately bring in local police or other law-enforcement groups, demand payment of taxes without the opportunity to question or appeal the amount owed, or ask for credit or debit

card numbers over the phone.

The agency adds that the best responses to a suspicious call are to give out no information and hang up immediately, and search the Web for the telephone numbers scammers leave in their voicemails asking you to call back, as some of the numbers may be published online and linked to criminal activity. Calls can also be reported to TIGTA online or at (800) 366-4484, and to the Federal Trade Commission online.

[www.accountingtodayl.com](http://www.accountingtodayl.com)

### **In brief: GASB issues fair value measurement standard**

03/02/2015

GASB's newly released Statement No. 72 prescribes how governments should define and measure fair value.

#### **What happened?**

On February 27, 2015, the GASB issued Statement No. 72, Fair Value Measurement and Application, which prescribes how state and local governments should define and measure fair value. It also prescribes which assets and liabilities should be measured at fair value, and expands disclosures related to fair value measurements.

#### **What are the key provisions?**

Statement No. 72 amends the definitions of fair value used throughout GASB literature to be consistent with the definition and principles provided in FASB Accounting Standards Codification Topic 820, Fair Value Measurement. Fair value is defined as "the price that would be received to sell an asset or paid to transfer

a liability in an orderly transaction between market participants at the measurement date." A fair value measurement assumes that the transaction would occur in the principal (or most advantageous) market for the asset or liability. Fair value is determined using one of three valuation approaches: market, cost, or income. Measurements are organized into a hierarchy using the same three levels to distinguish the reliability of the inputs as used in the FASB and IASB standards.

The standard also mirrors ASC 820's "practical expedient," which permits the fair value of certain equity investments that do not have readily determinable fair values to be based on their net asset value (NAV) per share, as long as NAV is calculated in a manner consistent with the FASB's measurement principles for investment companies.

Although the standard is closely aligned with the FASB concepts, the new guidance differs in some respects. GASB users should ensure they comply with the fair value principles as specifically articulated in Statement No. 72.

#### **Application to specific assets and liabilities**

Currently, fair value measurement is required on a recurring basis for all derivatives and for many investments (including land and real estate investments held by permanent and term endowments). Statement No. 72 expands the use of fair value measurement to nearly all investments<sup>1</sup>. As a result, certain non-traditional investments, such as private equity funds or hedge funds, that historically were

## ARTICLES

reported using either the cost or equity method, will now be required to be reported at fair value. Real estate investments held by quasi-endowments, previously reported at amortized cost, will also need to be reported at fair value.

Statement No. 72 also revises the definition of "investment" to specify that such assets are held "primarily for the purpose of income or profit," and that their service capacity

is "based solely on their ability to generate cash or to be sold to generate cash." This clarifies the differentiation between portfolio-type investments and equity interests (such as interests in joint ventures or for-profit corporations) that enhance the government's ability to provide services, which would not be considered investments and therefore not be subject to fair value measurement.

In addition, Statement No. 72 will impact existing guidance that requires the use of fair value measurement when initially recognizing productive long-lived assets that will be used in carrying out the government's operations and are received in service concession arrangements or as a donation. In those situations, Statement No. 72 now requires the use of "acquisition value" at initial recognition. "Acquisition value" refers to what it would cost to acquire a similar asset (that is, an "entry price") viewed from a market-participant perspective (rather than the entity's own perspective).

### Disclosures

Current literature already requires significant disclosures

related to fair value measurements. While Statement No. 72 expands the existing disclosures (for example, by now requiring risk disclosures by investment type or class), other related GASB requirements are less prescriptive than those required by the FASB and IASB. In redeliberations, the GASB chose not to include certain disclosures related to level 3 inputs—for example, the rollforward of level 3 investments and qualitative disclosures related to unobservable level 3 inputs—based in part on feedback it received related to the cost/benefit.

### **Why is this important?**

Statement No. 72 will trigger significant changes in how some financial instruments are reported. Many investments historically carried on either the cost or equity method will now be measured at fair value on a recurring basis. For derivatives, the shift from an "entry price" to an "exit price" and "market participant" assumptions will also result in measurement changes for instruments that do not trade in active markets, such as swaps. Changes such as these might result in the need to modify information systems, develop new reports, and engage in discussions with brokers or outside investment managers relative to measurement of financial instruments. In addition, if investment holdings will require revaluation, modifications to the system of internal control over financial reporting may be required to accommodate the shift to fair value measurement.

### **What's next?**

Statement No. 72 will be effective for reporting periods beginning after June 15, 2015, with earlier application encouraged. Most of

the standard's changes require retrospective application; however, if restatement of all prior periods is not practical, the cumulative effect should be reported as a restatement of beginning net position for the earliest period presented. The Basis for Conclusions states that reasonable efforts should be deployed before a government entity determines that the requirement is not practical.

### **Questions about the consolidation standard?**

PwC clients who have questions about this In brief should contact their engagement partner. Engagement teams who have questions should contact the Financial Instruments team in the National Professional Services Group (1-973-236-7803).

Authored by: Martha Garner, Managing Director, Phone: 1-973-236-7294

Email:martha.garner@us.pwc.com

Emily Rando, Senior Manager, Phone: 1-973-236-7728

Email:emily.m.rando@us.pwc.com

*Although the new standard expands the use of fair value, some of the existing exceptions continue to be excluded in Statement No. 72 (for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, unallocated insurance contracts, and synthetic guaranteed investment contracts).*

[www.pwc.com](http://www.pwc.com)



## AGA Guam Chapter: CGFM News



### The Mark of Excellence in Federal, State and Local Government

CGFM is a professional certification recognizing the unique skills and special knowledge required of today's government financial managers. It covers governmental accounting, auditing, financial reporting, internal controls and budgeting at the federal, state and local levels.

#### Interested in attaining the CGFM Certification?

If you are interested in becoming a CGFM, your AGA Guam Chapter offers CGFM Scholarships by providing reimbursements for your registration and test fees when you pass the CGFM examination within one (1) year.

The Chapter also offers and provides CGFM review materials to its members by borrowing the Chapter's study guides. The Guam Chapter may sponsor a CGFM preparation course on Guam and also promote study groups to assist its members.

**Questions?** Please Contact: **Jose (JoJo) Guevara, III** CGFM for more information.

#### Maintaining CGFM Certification

### CGFM INCENTIVE

#### Public Law 33-18

Provides a pay incentive to employees of Government of Guam Line Agencies, the Office of Public Accountability, the University of Guam and the Guam Department of Education who have obtained Public Accountant, Government Financial Management, Fraud Examiner and Internal Auditor Certifications, pursuant to recognized national standards, to preserve the Government of Guam's ability to recruit and retain such professionals.

- The Association of Government Accountants (AGA) is the organization that establishes the criteria for the Certified Government Financial Manager (CGFM) exam and the ethical standards that CGFMs must adhere to

All government of Guam line agencies, the Office of Public Accountability, the University of Guam, and the Guam, Department of Education employees who have obtained a nationally-recognized certification as a Certified Public Accountant (CPA), Certified Government Financial Manager (CGFM), Certified Fraud Examiner (CFE), or Certified Internal Auditor (CIA), shall be entitled to received a one-time

To retain the CGFM certification, all CGFMs must adhere to the AGA's Code of Ethics. In addition, to continue using the CGFM designation after their name, CGFMs must be in an active status.

#### Active Status

To maintain the CGFM certification in an active status, CGFMs are required to:

- Pay the CGFM renewal Fee by the due date every year.
- Complete at least 80 hours of Continuing Professional Education (CPE) every two years in government financial management topics or related technical subjects (within the designated two-year cycle).
- Maintain and, if requested by AGA, provide detailed information on CPE hours completed.

By submitting their annual renewal payment, CGFMs affirm that they have and will continue to abide by AGA's Code of Ethics and that they have fulfilled the minimum CPE Requirements.

certification pay differential. A Guam licenced CPA shall be eligible to receive an additional 15% increase. The CGFM, CFE, and CIA which are nationally recognized but not required to be Guam licensed shall be eligible to receive an additional 10% increase.

### CGFM Study Group

AGA Guam Chapter will be doing a CGFM Study Group on Governmental Environment. This will be part of the Guam Professional Development Conference on **September 12, 13 and 14**. Presenters for the Study Group will be Yuka Hechanova, Rodalyn Gerardo, Maripaz Perez, Ricky Hernandez and Jojo Guevara.

# Study Group

Happy Anniversary & Congratulations!!  
To our members who joined AGA in the  
Month of August

**Gilda M. Mafnas, GWA, 18 Years**

**Demetria G. Robinson, GWA, 18 Years**

**Jocelyn L. Pascua, GWA, 12 Years**

**Marietta Vicente, GWA, 12 Years**

**Felina D. Concepcion, GPA, 10 Years**

**Gaudencio A. Rosario, DOA, 9 Years**

**Joe San Nicolas, GWA, 7 Years**

**Pilar O. Pangelinan, GCC, 6 Years**

**Michele Brillante, OPA, 3 Years**

**Amacris V. Legaspi, OPA, 1 Year**

**Adriana Quitugua, OPA, 1 Year**

**Christian Rivera, OPA, 1 Year**

*Happy  
Anniversary*

# AGA Guam Chapter: Thank you to our 5K Run/Walk Sponsors

## 15th Annual 5K Sponsors

### Platinum Sponsors



### Gold Sponsor

Ultra Pacific Corporation

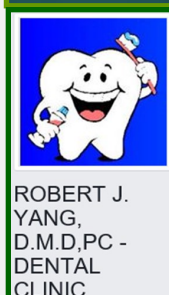
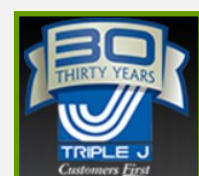
### Silver Sponsors



Dan S.  
Fitzgerald



### Bronze Sponsors



## AGA Guam Chapter: Thank you to our Sponsors / Funny Signs

### 15th Annual 5K Sponsors

#### Friends Sponsors

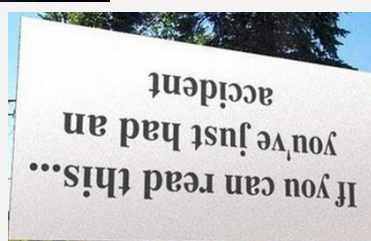
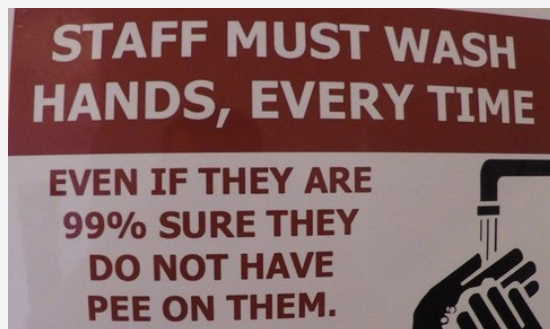


Randy  
Wiegand



#### Contributors

AGA Guam Chapter 5K Run/Walk Planning Committee Chairs/ Co-Chairs \* All AGA Volunteers \* Foody's \* Guam Community College \* Guam Running Club \* Hornet Sporting Goods \* Junior Accounting Society (JAS) \* Rhea Macaluso



# AGA Guam Chapter: About Us...

## Our Mission

Advancing Government Accountability

## Our Goals

To serve professionals in the government financial management community by:

- providing quality education
- fostering professional development certification; and
- supporting standards and research to advance government accountability

## Who We Are

The AGA Guam Chapter serves professionals in the government financial management community by providing quality education, fostering professional development and certification, and supporting the standards and research to advance government accountability.

## Chapter Executive Committee Members

### Programs/Technical Meetings

Director: **Vincent Duenas**, MPA  
email: vincentd@guamwaterworks.org

### Education

Chair: **Rodalyn May A. Gerardo**, CGFM, CIA, CPA, CGAP  
rgerardo@guamopa.org

### Professional Certification

Chair: **Jose Guevara III**, CGFM;  
jojo\_guevara@hotmail.com

### Newsletter

Editor: **Matthew Quinata**  
mattquinata@gmail.com

### Communications/Website

Webmaster: **Artemio Hernandez**, CGFM  
artemiorh@gmail.com

### Membership & Chapter Development

Chair: **Debbie Ngata**  
debbie.ngata@gu.ey.com

### Early Careers

Chair: **Christian S. Rivera**  
crivera@guamopa.com

### Student Representative

**Von Alcoran**, JAS President

email: vonalcoran@hotmail.com

### Accountability

Chair: **Maripaz N. Perez**, CGFM, CGAP  
mnperez@gpagwa.com

### Community Service

Chair: **Frances Danieli**, CGFM  
danieli6@guam.net

### Chapter Recognition Program

Chair: **Taling Taitano**, CPA, CGFM  
tmtaitano@gmail.com

### Awards

Chair: **Vincent Duenas**, MPA  
email: vincentd@guamwaterworks.org

### Scholarship

Chair: **Pamela Aguigui**  
Email: paguigui@gpagwa.com

### Research/Standards

Chair: **Christopher Wolseley**, CA  
cwolseley@deloitte.com

### By-Laws and Procedures:

Chair: **Llewelyn Terlaje**, CGAP;  
email: lterlaje@guamopa.org

### Historian:

**Jerrick Hernandez**  
email: jhernandez@guamopa.org

