

Newsletter

Happy Holidays!



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Mark on the Dates:

December 18, 2012 (Tuesday, 5pm)

- The AGA Guam Chapter will support a dinner at the Kusinan Kamalen Karidat.

December 7 and 14, 2012 (Both Wednesdays)

- Ernst & Young and Deloitte will be at GPO and Cost-U-Less, respectively on December 7, 2012 and vice-versa on December 14, 2012 to help out on the Salvation Army's Bell Ringing (from 6pm to 8pm). If you have time to drop by kindly join in the carols.

December 19, 2012 (Wednesday)

- The Chapter is sponsoring a 3 hour CPE course on Ethics this coming December 19, 2012 (Wednesday), from 9am to 12pm (registration starts at 8:30am) at the Outrigger Guam.
- After the Ethics course, it is our Christmas Party (December General Membership Meeting). We have an exciting program setup to enjoy the festivities. Come to in your best holiday costume and win a prize!
- Would appreciate if you can bring canned goods, clothes and toys for our charity drive. We will be donating these items to charitable organizations.

President's Message

AGA Guam Chapter Officers PY 2012—2013



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Hafa Adai AGA members and Friends,

Reason to be Thankful

It is the start of the holiday season and there are a lot of things to be thankful about. For the past few months, we have member volunteers who have been helping out in our community service activities and have been active in the general membership meetings. We appreciate your efforts to the Chapter. Because of this, the Chapter Executive Committee (CEC) would like to do its part in sharing the blessings to others.

Last November 17, 2012 (Saturday), we had an opportunity to help out at the Kusina Kamalen Karidat. Community Service Chair and Co-Chairs: Ariana Villaverde, Josephine "Josie" Villanueva and Lourdes "Lou" Perez helped out in this event, including Carmela Vi from the University of Guam's Junior Accountants Society. We were able to help out serving dinner on that day. We will be doing another community service at Kusina Kamalen Karidat on December 18, 2012 (Tuesday). The Chapter will be service dinner on that day. If you would like to help out on this event or any of our community service activities, please feel free to contact either Ariana (ariana.villaverde@gmail.com), Josie (josiegv@gmail.com) and/or Lou Perez (guamperezlou@gmail.com).

Free CPE Courses to Our Current AGA Guam Members

Good news to all AGA Guam Members, you can avail of a free 3 hour Ethics course this coming December 19, 2012 (Wednesday). We had a slight change in speaker and Robert Cruz, Esq. will be our speaker for that day. The Ethics course will start from 9am and ends on 12nn. After the Ethics course, all can attend Chapter's Christmas Party at the same location, Outrigger Guam, Fort San Jose (Main Ballroom). If you have any questions or concerns regarding this Ethics course, please feel free to contact either Rodalyn Marquez (rmarquez@guamopa.com) or myself (jasonkatigbak@gmail.com).

Support for your CGFM Certification Endeavor

As a member of the AGA, our mark of excellence is the CGFM certification. We encourage each of our members to obtain this certification as it will help you with your profes-

sional career. We at AGA would like to support you on this endeavor by offering an intensive review CGFM course which will cover the following sections of the CGFM exam on these dates:

Review Course 1:
Governmental Environment
- March 18, 2013, Monday (Day 1)

Review Course 2:
Governmental Accounting, Financial Reporting and Budgeting
- March 19 to 20, 2013, Tuesday to Wednesday (Day 2 and 3)

Review Course 3:
Governmental Financial Management and Control
- March 21 and 22, 2013, Thursday to Friday (Day 4 and 5).

Lela D. "Kitty" Pumphrey, PhD, CGFM, CPA, CMA, CIA, will be our instructor for this intensive review course. She is currently a professor of accounting at Idaho State University in Pocatello, Idaho, USA. Currently, she serves as a member of the NASBA's Examination Review Board. We are working on certain details of this event and we will let you know as soon as possible. For the meantime, please mark your calendar for this event.

We have other activities lined up for the year 2013. We are keeping our theme for this program year, "The Future of Accountability" in mind for our educational events and the mission of showing the "value of your AGA membership." For the upcoming meetings, I encourage you to bring colleagues from your work and introduce them to our Chapter. I believe we have much to offer as a professional organization. If you would like to know more about the Chapter or would like to get involved with our activities. Please contact any of our officers or visit our website at aga.guam.net.

It is the start of the holiday season, Happy Holidays to all.

Jason Katigbak
Chapter President
AGA Guam Chapter

Member News



Senior Accountant

Nanbo Insurance Underwriters is seeking to fill the position of Senior Accountant to assist in the day-to-day accounting activities of the organization. Interested candidates please submit resume to Brent Butler, Senior Manager for Finance & Administration, at bbutler@nanbo.com or mail to P.O. Box 2980, Hagatna, Guam 96932.



CGFM Scholarships

For this Program Year 2012-2013, the CGFM Committee is offering scholarships for the CGFM exams. For those who become CGFM's, we will reimburse the cost of the registration and exams, totaling \$412, which consist of:

1. Application fee - \$85
2. Examination fee - \$109 per part (or a total of \$327 for all three parts) for the following three examinations: (a) Governmental Environment; (b) Governmental Accounting, Financial Reporting and Budgeting; and (c) Governmental Financial Management and Control.

We have CGFM review guides available for use. We would like to offer this incentive to our members to assist them in their professional growth and career advancement. If you have any questions or concerns, please feel free to contact our CGFM Chairperson Jojo Guevara (jbguevara@portguam.com) or CGFM Co-Chairperson Frances Danieli (fdanieli@ghura.org).



CGFM Reminder

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

To maintain your CGFM certification in an active status, you must:

1. Pay the CGFM renewal fee by the due date every year;
2. Complete at least 80 hours of continuing professional education every two years in government financial management or related technical subjects (within the designated two-year CPE cycle); and
3. Maintain and, if requested by AGA, provide detailed information on CPE hours completed.

The 80 CPE hours must be completed within the CGFM's two-year CPE cycle. The first CPE cycle starts on Jan. 1 of the year following the one when the CGFM designation was earned. The CPE requirements apply to all active CGFM's, whether employed or not and whether employed full - or part-time by a government or other organization.

Active CGFM's must complete a minimum of 80 CPE hours every two years to maintain their CGFM certification. While there is no minimum number of hours required to be earned each year, CGFM's are encouraged to earn CPE hours throughout their two-year cycle. For more info., visit http://www.agacgfm.org/cgfm/maintain/cpe_requirements.aspx

Chapter Officers/Directors Program Year 2012-2013

Maripaz Perez, CGFM, CGAP
Accountability Chairperson

Taling Taitano, CGFM, CPA
Awards Chairperson

Llewelyn Terlaje, CGAP
Bylaws Chairperson

Jojo Guevara, CGFM
CGFM Chairperson
Frances Danieli, CGFM
CGFM Co-Chairperson

Rizalito Paglingayen
Chapter Auditor

Bobbie Howard, CPA, CGMA
Communications Chairperson

Ariana Villaverde
Community Service Chairperson
Josie Villanueva, CPA, CGMA
Community Service Co-Chair

Artemio "Ricky" Hernandez
Early Career Chairperson
Zeny Nace, CGFM, CPA, CFE
Early Career Co-Chairperson

Rodalyn Marquez, CGFM, CPA, CGAP, CGMA
Education Chairperson
Jason Katigbak, MBA, CFE, CPA, CIA, CGMA
Education Co-Chairperson

Jerrick Hernandez
Historian Chairperson

Rachel Field
Membership Chairperson
Garry Yeoh
Membership Co-Chairperson

Joy Bulatao
Newsletter Editor
Matthew Quinata
Newsletter Co-Editor

Vincent Duenas, MPA
Programs Meeting Chairperson

Doris Flores Brooks, CGFM, CPA
Scholarship Chairperson

Christopher Wolseley, CA
Standards/Research Chairperson

Carmela Vi
Student Representative, UOG

Doreen Crisostomo, CGFM, Ph.D.
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Monthly Meetings



Guam - Department of Education Superintendent Jon Fernandez says he hopes the day will come when academics are the center of conversations about DOE, rather than organizational issues.

Fernandez was the guest speaker at Wednesday's Association of Government Accountants meeting held at the Outrigger Resort.

While there has been progress made to get DOE off of high risk financial status with the U.S. Department of Education, Fernandez admits DOE is still at a fragile point organizationally.

The superintendent also listed statistics about Guam's low graduation rate and on the number of students who graduate ready for college. Sharing that his vision is to see all DOE graduates ready for college or a career, Fernandez said he'd like to be able to see real time data, to understand where students are at academically on a day-to-day basis.

"Not just at the end of the year but what are we doing, how are they doing on a real time basis" Fernandez said of his hope for the future. "So we don't have to keep waiting until the end of the year to make these improvements."



The Superintendent also talked about the Common Core Standards which are in the process of being implemented at the schools. He said the Common Core will give students a deeper focus on core subject areas, hopefully making them more prepared for the real world when they graduate.

To view other news by the Pacific News Center, please visit: <http://www.pacificnewscenter.com/>

Association of Government Accountants - Guam Chapter Condensed Financial Statements As of September 30, 2012

	Chapter	Community Svc.	Prof. Develop.	Memo	3 months ending 9/30/2012
Assets	\$ 58	\$ 13,572	\$ 64,185	\$ 77,815	
Liabilities	-	-	-	-	
Net Assets					
Earmarked	-	5,853	33,960	39,813	
Unrestricted	58	7,720	30,225	38,003	
Revenues	\$ 860	\$ -	\$ -	\$ 860	\$ 79,903
Expenses	986	188	500	1,674	44,170
Increase (decrease) in net assets	(126)	(188)	(500)	(814)	35,733
Beginning net assets	184	13,760	64,685	78,629	42,082
Ending net assets	<u>\$ 58</u>	<u>\$ 13,572</u>	<u>\$ 64,185</u>	<u>\$ 77,815</u>	<u>\$ 77,815</u>

October 2012 General Membership Meeting

The AGA Guam Chapter held its General Membership Meeting on Wednesday, October 17, 2012 at the Outrigger Hotel, Tumon, Guam. Mr. N. Oscar Miyashita, CPA, CCPS, AIFA was the meeting's guest speaker. His topic was "Career and College Planning—ABC of Career Planning and College Funding/Admission Strategies".



Mr. Miyashita is the founder of and now a Senior Advisor to Ernst & Young's Guam and Saipan offices. He was the Former Area Executive or People Leader for the Far East Area of Ernst & Young. In addition, he was the Past Chair of the Guam Board of Accountancy and Past President of the Guam Society of Certified Public Accountants.

Mr. Miyashita is the First Certified College Planning Specialist on Guam. He is one of only approximately 600 Certified College Planning Specialists in the United States. He is also a Registered Investment Advisor and an Accredited Investment Fiduciary Analyst. He is one of only about 1,000 Accredited Investment Fiduciary Analysts in the United States

Membership Updates

September Anniversaries

Name	Company	Years
John M. Phillips, CPA	University of Guam	42
Simao Iehsi	Deloitte and Touche LLP	18
Teresita S. Dalisay	Guam Waterworks Authority	14
Lee H. Vensel, CPA	Deloitte and Touche LLP	13
Linh B. Carlson	Hilton Guam Resort & Spa	8
Deborah Hartzler, CPA	Deloitte and Touche LLP	8
Joy V. Bulatao	Office of Public Accountability	3
Debbie Montano Ngata	Ernst and Young LLP	3
Anna Rizza B. Savares	Deloitte and Touche LLP	3
Alfred F. Delos Reyes	Deloitte and Touche LLP	2
Sookyung Hong	Deloitte and Touche LLP	2
Josephine C. Mendoza	Deloitte and Touche LLP	2
Pamela T. Pineda	Deloitte and Touche LLP	2
Alma M. To	Deloitte and Touche LLP	2
Raymond Perez	Guam National Guard HQ	1
Adelia R. San Nicolas	Guam Dept of Administration	1

October Anniversaries

Name	Company	Years
Romana L. Blailes	Palau Public Auditor	14
Rena L. Kloulechad	Palau Public Auditor	14
Satrunino Tewid	Palau Public Auditor	14
Jowas Wasisang	Palau Public Auditor	14
Joseph P. Claveria	Guam Waterworks Authority	5
Lisa Nguyen	Deloitte and Touche LLP	3
Clariza Mae G. Roque	Office of Public Accountability	3
Artemio Hernandez	Office of Finance and Budget	2
Travis-Lee R. Carbon	Office of Public Accountability	1
Dr. Venus C. Ibarra	University of Guam	1
Yvonne Lee	Ernst & Young LLP	1

Be Recognized!



Submit your CCRs and be Recognized!

By: Maripaz Perez, CGFM, CGAP
Accountability Chairperson

Now that your entity has completed the required Citizen-Centric Report (CCR), make the little effort to submit your report and be recognized. The National AGA has had its Certificate of Excellence in Citizen-Centric Reporting program for high-quality CCRs. Eligibility requirement includes high standard of content, readability, visual appeal, and timeliness.

To achieve this recognition, the following judging elements must be incorporated in your CCR:

1. How the entity is organized/operates (items such as vision statement and strategic goals)
2. Key accomplishments surrounding key missions and service and/or along with selected performance measures.
3. Bar and/or pie charts to display revenues and expenses.
4. Similar statements are listed: An independent audit was conducted, resulting in a clean audit opinion. Complete financial information can be found at www.xyz.gov.
5. Future challenges affecting the entity.
6. Similar statements are listed: We want to hear from you. Do you like this report? Do you believe it should include any other information? Please let us know by contacting xxx.
7. Report is 'free' of technical accounting language.
8. Report incorporates pictures and other graphics to make it visually appealing.
9. Report has been distributed (hardcopy, posted to website and/or posted in newspaper)
10. Report is issued in a timely manner following the close of the entity's fiscal year:
 - First-year report submitted to AGA: must be within six months with a clean audit
 - Second-year report submitted to AGA: must be within five months with a clean audit
 - Third-year report submitted to AGA: must be within four months with a clean audit
 - Fourth-year and beyond report submitted to AGA: must be within three months with a clean audit

There is no cost to participate in the program. All it takes is for you to submit your completed CCR with the completed Certificate of Excellence in Citizen-Centric Reporting Application to: The Citizen-Centric Reporting Program, AGA, 2208 Mount Vernon Avenue Alexandria, VA 22301 or via e-mail to ccr@agacgfm.org. For more information visit this link [http://www.agacgfm.org/Programs---Performance/Citizen-Centric-Reporting-\(CCR\)/AGA-s-Certificate-of-Excellence-in-Citizen-Centric.aspx](http://www.agacgfm.org/Programs---Performance/Citizen-Centric-Reporting-(CCR)/AGA-s-Certificate-of-Excellence-in-Citizen-Centric.aspx).

We encourage you to submit your CCR and be credited for your efforts in closing the communication gap between our citizens and making our government more accountable and transparent.

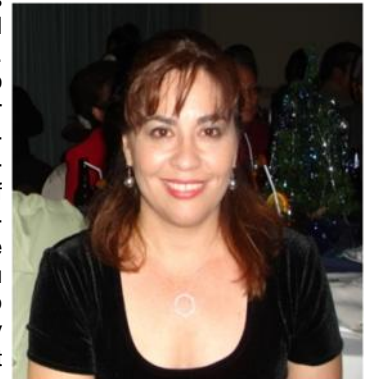
Member Achievement

By: Maripaz Perez, CGFM, CGAP
Accountability Chairperson

Congratulations to Ms. Pamela Roberto Aguigui for achieving the Certified Manager (CM) certification in June 2011. The CM certification increases management knowledge and strategies and conveys professional achievement. CM is a certification for a level of management competency which is recognized worldwide. It is a fitting certification for managers and supervisors at all levels and working in all industries.

Ms. Aguigui is a graduate of the University of Guam with a Bachelor of Business Administration in Management and Public Administration. She is Guam Power Authority's (GPA) Chief Budget Officer, and has been with GPA for 17 years. According to Ms. Aguigui, she is very grateful for GPA's support in enhancing and advancing her professional and managerial competency. Moreover, she is thankful for her supportive husband, who always provided encouragement.

Stay committed is Ms. Aguigui's advice for those pursuing the CM or any professional certification. "It was a long road from start to finish especially working at your own pace. You must have discipline, dedication and determination to see the goal at the end of the road. At times, it was discouraging and giving up seemed like the best option. As a parent, you always give advice to your child to never give up. In this case, my son Justin Paul played the parent role, and told me to never give up!" shared Ms. Aguigui.



Get Smart about Credit Day!



AGA Guam Chapter volunteered for Bank of Guam's Get Smart About Credit Day on October 18, 2012. AGA Membership Chair Rachel Field and President Jason Katigbak presented a personal finance lesson to the senior class of St. Paul Christian School.

New GASB Pension Statements

New GASB Pension Statements to Bring about Major Improvements in Financial Reporting

Submitted By: Christopher Wolseley, CA Standards/Research Chairperson

In June 2012, the GASB approved a pair of related Statements that reflect substantial improvements to the accounting and financial reporting of pensions by state and local governments and pension plans. Statement No. 67, Financial Reporting for Pension Plans, addresses financial reporting for state and local government pension plans. Statement No. 68, Accounting and Financial Reporting for Pensions, establishes new accounting and financial reporting requirements for governments that provide their employees with pensions.

The guidance contained in these Statements will change how governments calculate and report the costs and obligations associated with pensions in important ways. It is designed to improve the decision-usefulness of reported pension information and to increase the transparency, consistency, and comparability of pension information across governments.

Statement 67 replaces the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans. Statement 68 replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new Statements also replace the requirements of Statement No. 50, Pension Disclosures, for those governments and pension plans.



Image taken from Pension Pulse at <http://pensionpulse.blogspot.com>

Background

To ensure that GASB pronouncements continue to be of high quality and are in sync with the continuously evolving government environment, the GASB periodically reexamines its standards. Reexamination typically takes place after a Statement has been in place and fully implemented for at least five years. Research on the GASB's pension standards indicated opportunities for significant improvement.

Governments provide pension benefits through various types of defined benefit pension plans, which specify the amount of benefits to be provided to the employees after the end of their employment. Single-

employer pension plans provide pension benefits to the employees of one employer (a single employer). Multiple-employer pension plans provide pension benefits to the employees of more than one employer. Under an agent multiple-employer pension plan, the assets of a multiple-employer pension plan are pooled for investment purposes but separate "accounts" are maintained for each individual agent employer, so that each agent employer's share of the pooled assets is legally available to pay the pensions of only its employees. In a cost-sharing multiple-employer pension plan, cost-sharing employers share their assets and their obligations to provide pension benefits to their employees—plan assets can be used to pay the pensions of the employees of any employer that pro-

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Guam
International
Coastal
Clean-up



New GASB Pension Statements

vides pensions through the plan. The new Statements address all of these types of plans, as well as defined contribution plans, which stipulate the amount to be contributed to employee accounts each year, not the amount of benefits that will be paid in the future.

The Statements apply specifically to governments and pension plans in which a government's contributions to the trust used to administer a pension plan are (a) irrevocable, (b) restricted to paying pension benefits, and (c) are beyond the reach of creditors. Pension benefits provided through trusts that do not meet those three criteria are not addressed in these new Statements and those pension benefits would continue to be accounted for and reported following Statements 25, 27, and 50.

It is important to note that the new Statements relate to accounting and financial reporting issues only—how pension costs and obligations are measured and reported in audited external financial reports. The Statements do not address how governments approach pension plan funding—a government's policy regarding how much money it will contribute to its pension plan each year. While there has been a close relationship between how governments fund pensions and how they account for and report information about them until now, the new guidance establishes a decided shift from the funding-based approach to an accounting-based approach. The Board crafted its new Statements with the fundamental belief that funding is squarely a policy decision for elected officials to make as part of the government budget approval process.

Reporting by Governments in Defined Benefit Plans

Recognizing a Liability Related to Pension

Promises for Single and Agent Employers

State and local government employees often earn two types of compensation in return for their efforts—current compensation and deferred compensation. Salaries and other forms of current compensation reflected in the paycheck are received by employees during their employment. On the other hand, deferred compensation, including pension benefits, is not received until after the employee's tenure with the government has concluded and vesting and age requirements have been met.

Nevertheless, a government has a present obligation to pay these deferred benefits in the future—a total pension liability—once they have been earned. When the total pension liability exceeds the pension plan's net assets (now referred to as plan net position) available for paying benefits, there is a net pension liability. Governments will now be required to report that amount as a liability in their accrual-based financial statements (for example, the government-wide statement of net position). The pension plan's net position available for paying benefits is to be measured using the same valuation methods that are used by the pension plan for purposes of preparing its financial statements, including measuring investments at fair value.

This is an important change that will more clearly depict the government's financial position. While this information will, in some cases, give the appearance that a government is financially weaker than it was previously, the financial reality of the government's situation will not have changed. Reporting the net pension liability (or asset, if plan net position exceeds the total pension liability) on the face of the financial statements will more clearly portray the government's financial status because the pension liability will be placed on an equal footing with other long-term obligations.

Measuring the Pension Liability

The new pension standards reflect several changes from those currently in place regarding how governments calculate their total pension liability. The measurement process detailed in the new standards involves three essential steps:

1. Projecting future benefit payments for current and former employees and their beneficiaries
2. Discounting those payments to their present value
3. Allocating the present value over past, present, and future periods of employee service.

The standards continue the general existing practice of incorporating expectations of future employment-related events into projections of pension benefit payments—like projected salary increases and projected years of service—if they affect the amount of pension payments employees will receive. Provisions for automatic cost-of-living adjustments (COLAs) and other automatic benefit changes (which generally are written into the pension benefit terms) will also continue to be included in projections. On the other hand, ad hoc COLAs and other ad hoc benefit changes—which are made at the discretion of the government—will only be included in projections if they occur with such regularity that they are effectively automatic.

To discount projected pension benefit payments to a present value, governments assume a discount rate. Standards now in effect require governments to apply a discount rate equal to the long-term expected rate of return on the investments of the pension plan. The long-term expected rate of return will continue to be the starting point for the discount rate. However, the new standard makes it clear that this rate should be applied only to available pension plan assets that are expected to

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New GASB Pension Statements

be invested using a strategy to achieve that return.

To the extent that a pension plan's net position and projected contributions associated with active and inactive employees, including retirees, is expected to fully cover projected benefit payments for those individuals, the long-term expected rate of return will be used. If there comes a point in the projections when plan net position and contributions related to active and inactive employees is no longer projected to be greater than or equal to projected benefit payments related to those employees and administrative expenses, then from that point forward a government would be required to discount the projected benefit payments using a municipal borrowing rate—a tax-exempt, high-quality (an average rating of AA/Aa or higher, including equivalent ratings) 20-year general obligation bond index rate.

Finally, benefit payments—discounted to their present value—are allocated to past, current, and future periods. The new standards require all governments to use the entry age actuarial cost method to allocate present value, and to do so as a level percentage of payroll. Under this method, the present value of projected benefits is attributed to employees' expected periods of employment starting from when employees first begin to earn benefits.

Calculating Pension Expense

A government's net pension liability varies from year to year for a variety of reasons, including actual earnings on plan investments, employee compensation changes, interest on the outstanding pension liability, contributions from employers and employees, and actual economic or demographic changes not matching up with assumptions made in the actuarial calculations. When these period-to-period changes should be



Image taken from The Gazette at <http://www.montrealgazette.com>

included in the calculation of the cost of a government's operations—as expenses in the accrual-based financial statements—is a key issue.

The new standards will better align the recognition of pension expense with the period in which the related benefits are earned. Considered in total, the changes set forth by the GASB will have the overall effect of expense recognition being accelerated. Under the new standards, several causes of change in the net pension liability will be factored into the calculation of pension expense immediately in the period in which the change occurs:

1. Benefits earned each year
2. Interest on the total pension liability
3. Changes in benefit terms
4. Projected earnings on plan investments
5. Changes in plan net position from other than investments

The effects on the total pension liability of (a) changes in assumptions and (b) differences between assumptions and actual experience are to be recognized initially as deferred outflows of resources or deferred inflows of resources and then introduced into the expense calculation systematically and rationally over the average remaining years of employment of employees (active employees and inactive

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employees, including retirees). This period is likely to be significantly shorter than the period of up to 30 years over which governments may now recognize portions of their pension expense.

The difference between the expected earnings on plan investments and actual investment earnings is to be recognized as deferred outflows of resources or deferred inflows of resources and included in expense in a systematic and rational manner over a five-year closed period rather than longer periods that are allowed under the current standards.

Reporting by Governments in Cost-Sharing Multiple-Employer Plans

Under the pension standards now in effect, cost-sharing employers have not been required to present actuarial information about pensions. Instead, information has been required to be presented in the pension plan's own financial statements for all of the participating governments combined.

Through its research, the GASB concluded that the needs of users of information regarding cost-sharing employers do not differ significantly from those interested in single and agent employers. Therefore, the GASB believes it is important to give users of the financial statements of cost-sharing employers access to better, more transparent financial information. Consequently, under the new standards the GASB is requiring that cost-sharing governments report a net pension liability, pension expense, and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all the governments in the plan.

Note Disclosures and Required Supplementary Information

The new standards contain requirements for

disclosing information in the notes to the financial statements and presenting required supplementary information (RSI) following the notes. Due to the complexity of the array of pension plan features, the Board concluded it was critical that financial statement users have access to certain basic plan information through governments' own financial statements. The Board believes that including this information will enhance the usefulness of financial reports for both decision making and assessing accountability.

All governments participating in a defined benefit pension plan will now include the following information in their note disclosures:

- Descriptions of the plan and benefits provided
- Significant assumptions employed in the measurement of the net pension liability
- Descriptions of benefit changes and changes in assumptions
- Assumptions related to the discount rate and the impact on the total pension liability of a 1 percentage point increase and decrease in the discount rate
- Net pension liability and deferred outflows of resources and deferred inflows of resources.

Single and agent governments also will be required to disclose, for the current period, the beginning and ending balances of the net pension liability, and the effects of changes during the period (such as the effects of service cost, benefit changes, and actual investment earnings).

Single and agent governments will be required to present RSI schedules with the following information for each of the past 10 years (generally on a prospective basis):

- The beginning and ending balances of the total pension liability, the plan trust's

net position, and the net pension liability, and their components

- Total pension liability, the plan's net position, the net pension liability, a ratio of the plan's net position to the total pension liability, the covered-employee payroll, and a ratio of the net pension liability as a percentage of the covered-employee payroll.

If a single, agent, or cost-sharing government has an actuarially determined annual pension contribution (or, if not actuarially determined, then the statutorily determined contribution), it is also required to present an RSI schedule with the following information for each of the past 10 years (generally on a prospective basis): (1) the actuarially determined annual pension contribution (or, if not actuarially determined, then the statutorily determined contribution), (2) the amount of employer contribution actually made, (3) the difference between 1 and 2, (4) the payroll of employees covered by the plan, and (5) a ratio of 2 divided by 4.

Governments are also now required to present notes to the RSI schedules regarding factors that significantly affect the trends in the schedules. For single and agent employers, significant assumptions also should be disclosed.

Special Funding Situations

Special funding situations are circumstances in which (a) a non-employer contributing entity (such as a state government) is legally responsible for contributions directly to a pension plan that is used to provide pensions to the employees of another government (such as school districts located within that state) and (b) one or both of the following is true:

1. The non-employer is the only entity with a legal obligation to make contributions directly to the plan

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New GASB Pension Statements

2. The amount of the contributions for which the non-employer is legally responsible is not dependent upon one or more events unrelated to the pensions.

In a special funding situation, the non-employer has essentially assumed a portion of the employer entity's pension obligation as its own. Consequently, if the non-employer is a government, it will recognize its proportionate share of the net pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to the employer's pensions in its own financial statements.

The government benefitting from the non-employer's contributions in a special funding situation will calculate its net pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions prior to the non-employer government's support, but would recognize in its financial statements only its proportionate share.

Reporting by Governments in Defined Contribution Plans

As previously noted, defined contribution plans stipulate the amount to be contributed to an employee's account each year, and not the amount of benefits employees will receive after the end of their employment. The new standards generally carry forward the existing requirements regarding defined contribution pensions. Governments will report an expense equal to the amount they are required to contribute for employee service each year and a liability equal to the difference between that required contribution and what the government actually contributes. Governments will also make descriptive disclosures about the plan and its terms, and the method by which contributions to the plan are determined.

Reporting by Pension Plans

Statement No. 67 on plan reporting details guidance for financial reporting by defined

benefit pension plans administered through trusts that meet the criteria described earlier. This guidance generally carries forward the present framework for the separately issued financial reports of defined benefit pension plans. Statement 67 will significantly improve related financial reporting through enhanced note disclosures and new RSI schedules. The Statement also details note disclosure requirements for defined contribution pension plans administered through trusts that meet the criteria.

Effective Dates

Statement No. 67 will take effect for pension plans in fiscal years beginning after June 15, 2013 (that is, for years ended June 30, 2014 or later). Statement No. 68 will take effect for employers and governmental non-employer contributing entities in fiscal years beginning after June 15, 2014 (that is, for years ended June 30, 2015 or later). However, the GASB encourages plans and governments to implement the new standards earlier.



AGA helps out at Kusinan Kamalen Karidat

Last Saturday, November 17, 2012, AGA Guam Chapter took part in serving dinner at Kusina Kamalen Karidat to 30 adults and children. Among the volunteers for the event were Jason Katigbak, Josie Villanueva, Lou Perez, Ariana Villaverde, Vita Fermo and Carmela Vi from the Junior Accountants Society (JAS). The volunteers served white rice, menudo, fried chicken, turkey, spaghetti, potato salad, and cookies. Some of the dishes and paper products were donated by Ariana Villaverde, JAS, and AGA. Thank you to all the volunteers and donors who contributed for this event.

Kusinan Kamalen Karidat is a ministry of the Archdiocese of Agana dedicated to feeding

Guam's homeless brethren through its soup kitchen across Julale Shopping Center in Hagåtña. The non-profit group was established in 1994 to assume the responsibilities of Guam San Francisco, a feeding shelter. The ministry of Kamalen Karidat is to feed the hungry, give drink to the thirsty and clothe the naked. To arrange your delivery of monetary and/or non-perishable food donations you may contact Kusinan Kamalen Karidat at 472-4569/777-5433.



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Better Public
Speaking



AGA National News

AGA & Industry News

[Warmer Hopeful Feds Won't Feel a Budget 'Jolt'](#) —

Michael O'Connell, Federal News Radio

[Can California Fix Its Budget Problems?](#) —

Mark Funkhouser, Governing

[GAO: Billions Spent on IT, But Effectiveness is Unclear](#) —

Nicole Blake Johnson, Federal Times

[States Get More Time to Decide if They Will Run Their Own Health Insurance Exchanges](#) —

Christine Vestal and
Michael Ollove, Stateline

[Drive Change Using the Lurk and Listen Method](#) —

Victoria Grady, Government Executive



Government Finance
Case Challenge
2012

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Registration

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Faculty 'Tool Kit'

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Welcome

The best undergraduate accounting/business/financial management/public administration students in the country are invited to compete in the Sixth Annual Government Finance Case Challenge, sponsored by AGA.

Student teams will collaboratively analyze and offer a written response to a case centered on the creation of a citizen-centric report for a U.S. city, county government or a school district. The registration deadline is Friday, November 9, 2012. The competition begins on Monday, November 12. All members of the two to three highest-scoring teams will receive a scholarship to attend AGA's 11th Annual NLC: Strategic Innovation for Government Leaders, set for February 12-13, 2013 in Washington, D.C.

Teams will present their finalized solutions before a panel of federal/state/local government leaders, corporate partners and CFOs. The winning teams will be announced at the awards luncheon on the final day of the conference.

Cash prizes will be awarded to the winning team. Each student participant will receive a free one-year membership to AGA.

Students will compete with teams from various colleges around the country. The experience promises to challenge students' moral reasoning, raise their awareness of the importance of government accountability and open doors to a future career in government.

*This competition is only open to currently enrolled undergraduate students.



[Celebrating Five Years of Intergovernmental Cooperation](#)

Launched in 2007, AGA's Inter-governmental Partnership has opened the lines of communications among governments.



[AGA Research Report: e-Reporting](#)

The project studied the opportunities for government financial professionals to advance electronic reporting.



January 10, 2013 | 6 CPE Hours
Available | *FREE
Grand Hyatt Washington, DC
1000 H Street, NW

AGA is hosting a complimentary one-day event that brings together Federal financial managers and private sector executives for the third year to discuss the near-term and future prospects of Federal financial management systems in a budget constrained environment.



[Structuring Performance Data to Effectively Drive Management Decisions](#)

This audio conference will show how to build capability within your organization to use analysis to drive decision-making at senior levels. Learn how to manage the cultural shift required and effectively engage your leadership.

Date: Wednesday, Dec. 5, 2012

Time: 2 – 3:50 p.m. EST

Learning Objectives: To learn how one agency has learned to explain data analytics and its importance to effectively managing programs.

CPE: Two credit hours

Field of Study: Management Advisory Services and Auditing (Governmental)

Cost: \$249 per site (UNLIMITED ATTENDANCE) if you register on or before Friday, Nov. 30, 2012 and \$299 thereafter.



[Just Ethics!](#)

This session will present practical solutions—no arcane theory—on addressing workplace situations involving people and issues. The discussion will focus on ethical challenges and the risk-taking that may be involved in being ethical; the application of the Federal Code of Ethics; and fairness in different scenarios. Current workplace situations will be used as examples of what to do and of what not to do.

Date: Wednesday, December 12, 2012

Time: 2 – 3:50 p.m. Eastern Daylight Time

Learning Objectives: To understand ethical situations that may arise in the workplace and solutions for addressing them.

CPE: Two credit hours

Field of Study: Behavioral Ethics (BETH)

Cost: \$249 per site (UNLIMITED ATTENDANCE) if you register on or before Friday, December 7, 2012 and \$299 thereafter.

This year's summit, tentatively titled, "Preparing for an Era of Disruption", will seek to discuss and address:

- Strategies and ideas for navigating and taking advantage of ever-increasing advances in core and enabling technologies and solutions during a period of unprecedented budget pressures and a looming human capital crisis.
- The visions for and impacts of prospective legislation (e.g., DATA Act) and pending changes to promulgations (e.g., A-127) will also be addressed.

The summit will again result in a report on the current state and future prospects for federal financial management systems initiatives and implementations. [Register Now!](#)



**WE WANT YOU!
TO BE A**



AGA Guam Chapter CGFM Scholarships

**The Chapter will cover
the examination and
registration fees upon
successful completion
of the CGFM exam.**

If interested, please contact
Jojo Guevara
(jbquevara@portquam.com) or
Frances Danielli (danielli6@quam.net)

Certified Government Financial Manager (CGFM)

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.

To earn the CGFM, candidates must apply for the CGFM Program and meet the following requirements:

Ethics —read and agree to abide by AGA's Code of Ethics.

Education —have a bachelor's degree from an accredited college or university and have completed at least 24 credit hours in financial management or related topics.

Examinations — pass three comprehensive CGFM Examinations.

Experience — have at least two years of professional-level experience in government financial management.

Recent research has shown that employers attribute their recruiting difficulties to a shortage of qualified professionals. Give yourself a competitive advantage by showing your commitment to lifelong learning. You need a credential that shows you are qualified and have the skills to lead. The Certified Government Financial Manager does this like no other credential.

The CGFM is the first certification broad enough to cover the whole field of government financial management—federal, state and local. It measures a wide range of knowledge and skills that a professional needs to succeed in the federal government financial environment, or to meet the unique challenges faced by state and local government financial managers.

One of the key findings of [AGA's 2010 Compensation Survey](#) is that those who had earned a CGFM designation reported a higher average salary than those who do not hold this certification: \$105,815 compared to \$78,905, a difference of 34 percent. When compared to the average salary of individuals with no designations—\$68,416—the average salary of CGFMs was 55 percent higher.

Visit <http://www.agacgfm.org/CGFM-Certification/overview.aspx> for additional information about the CGFM designation

AGA Membership

Join or Renew Your Membership

As an AGA member, you gain access to a host of benefits designed to support your career growth and your success, including:

- Education and networking opportunities through over 100 AGA Chapters
- Five annual national training events with member rates that save you more than \$150 per event
- Awards & Scholarship programs
- Leadership & Volunteer opportunities at the chapter and national level
- Certified Government Financial Manager (CGFM) program

Join Today! View the membership types and choose the one that's right for you.

Member Types

Full Government Member — \$90/year

This class of membership is available to individuals currently working in government, academia and not-for-profit organizations. Individuals employed by a private entity as a contractor for a government agency, even if their office is in a government agency building, are considered Private Sector. Individuals who are employed in the public sector and then move to the private sector become Private Sector members.

Private Sector Member — \$150/year

This class of membership is available to sole proprietors and those individuals currently working for private companies, corporations or partnerships.

Early Career Member — \$45/year

This class of membership is available to individuals with fewer than three years of professional experience who work in private or public sector. After three years Early Career members transition to Full Government or Private Sector based on their employer at that time.

Student Member — \$30/year

This class of membership is available to full-time college/university students who are not yet gainfully employed. Any student who is gainfully employed with less than three years of experience will be considered Early Career.

Retired — \$30/year

This class of membership is available to individuals who have permanently retired and are not working.

Government Group Membership

Government groups of five or more individuals can enjoy discounted rates to AGA's national conferences and training events by joining AGA's ADVANTAGE Group Membership Program.

Lifetime Membership

Lifetime membership is bestowed upon individuals who have been AGA members for 40 years to recognize their distinguished service to the Association. Lifetime memberships are awarded each January. Lifetime members no longer pay annual dues. View the list of Lifetime Members.



JOIN



If your field is government financial management AGA membership is invaluable.

AGA is the only association supporting more than 15,000 professionals working in federal, state and local governments as well as the private, nonprofit and academic sectors.

AGA membership will give you the tools and support you need to make your mark on the profession.

Contact Rachel Field (rfield@guamopa.org) or Garry Yeoh (garry.yeoh@gu.ey.com) if you have questions regarding the AGA Membership

Association of Government Accountants - Guam Chapter

presents an

Ethics Course

(qualifies for 3 Hours of CPE)



Save the Date:

The Association of Government Accountants - Guam Chapter is sponsoring a 3 hour Ethics Course on December 19, 2012 at the Outrigger Guam, from 9:00am to 12:00pm.

This Ethics course will be conducted by Robert Cruz , Esq. This session is free for current AGA Guam members and \$50 for others. This course qualifies for to 3 hours of CPE under the field of study, BETH - Behavioral Ethics.

Registration Form:

Name: _____

Organization/Agency: _____

Telephone Number: _____ Fax Number: _____

E-mail address: _____

Current AGA Guam Member (Yes / No) For non-members, registration fee is \$50.

Submit Your Completed Registration Form:

You can email your completed registration form to Rodalyn Marquez (rmarquez@guamopa.com) or through fax number (671) 472-7951.

Contact Us:

If you have any questions or concerns regarding this course, you can contact Rodalyn Marquez (telephone number 475-0390) or Jason Katigbak (jason.katigbak@gu.ey.com, telephone number 649-3700).