



President's Message



Dear AGA Members,

I hope you all had an enjoyable Easter. In March, our Chapter held a two-day workshop training on Professional Ethics, Governmental Auditing and Accounting Standards, presented by Bill Broadus. Many thanks to Bill Broadus and Zeny Nace, the Co-Chair for the Education Committee and her team- Theresa Gumataotao, Rodalyn Marquez, Lou Perez, and Maripaz Perez for their hard work in putting together the workshop

At our April meeting, we invited Dan Fitzgerald to speak to our members about the tax implications of non-profit organizations who may be involved in for-profit activities and the risks to its board members. Thank you Dan Fitzgerald for a very informative update on NPOs.

As you know some of these organizations have served our island community for many years, providing outreach programs and aiding those in need. I encourage all our members to get involved where you can. Just be aware of the responsibilities.

As the year proceeds, we will continue to foster the ideal of providing quality training and speakers to our members and public and private organizations in our community.

Sincerely,
Chris

April Chapter Meeting

Our monthly chapter meeting will be on Wednesday, April 25, 2007 starting at noon at the Le Premier Restaurant, Onward Beach Hotel. The cost of the buffet luncheon is \$14.00 for guests/non-members and discounted to \$11.00 for members. Chapter meetings are scheduled for the 4th Wednesday of each month. Any changes to the schedule will be emailed to the membership.

Our guest speaker for the meeting will be Captain Robert Lee III with the Joint Guam Program Office Forward, Navy Region Marianas. Captain Lee

majored in accounting and graduated from Harding University. Captain Lee will speak about the proposed military buildup in Guam/planned relocation of Marines to Guam. The JGPO held scoping meetings for public comment on the environmental impact statement.

April Election of AGA Guam Officers for FY July 2007 – June 2008

The AGA Guam Chapter will have its election of chapter officers for program year July 2007 to June 2008. The following are the nominees:

- o President-Elect - Rodalyn Marquez
- o Treasurer - Thomas Paulino
- o Secretary - Maripaz Perez

We hope to see everyone at the meeting. Good luck to all our nominees.

Membership Renewals

The AGA National Office has extended a grace period for renewal until May 31, 2007. Please renew before the end of May to avoid being removed from the roster. Renewal fees can be mailed directly to the AGA National Office or renewed online at

www.agacgfm.org or contact
Bobbie Howard at
agaguamchapter@yahoo.com

Raffle for PDC trip to Nashville in June 2007

At the April general meeting we will draw three lucky winners for a free trip to the Annual AGA Professional Development Conference in Nashville, Tennessee this June. 19 of our members were eligible simply by attending six of the eight monthly meetings from August 2006 to March 2007.

The three lucky members will be attending the PDC along with our President-Elect, Matt Quinata.

The PDC offers 24 CPE hours of exceptional training opportunities to network and discuss the latest issues affecting our field. These issues include: 1) Accountability and Ethics; 2) Audit Tips, Tools & Techniques; 3) Financial Management and Strategies; 4) Innovative Funding Mechanisms and 5) Management Challenges and Solutions.

For more information and to register for the conference, please visit www.agacgfm/pdc2007/index.htm or visit the Grand Ole Opry, Country Music Hall of Fame, historical landmarks, great food and fun that Nashville offers.

Remember members who won the PDC raffle last year are not eligible to win this year. Good luck to all of you!

Raffle for PEIC trip to Hawaii in August 2007

The AGA Guam Chapter will send four members to Hawaii for the 15th Pacific Emerging Issues Conference (PEIC) on August 22-24, 2007 in Honolulu, Hawaii (airfare, registration fee and hotel accommodations will be paid).

In order to be eligible for the raffle you must be a member in good standing. To be eligible members must attend the meetings from March to June entered in the raffle. you could win

Members selected to attend the June PDC will not be eligible for the August PEIC drawing.

Herminia Duenas Dierking Nominated for Chapter Service Award

Each year, AGA presents crystal awards to recognize individuals who have made contributions to AGA chapters. This year, the AGA Guam Chapter has nominated Herminia Duenas Dierking to the AGA National Awards Committee to receive the Chapter Service Award.



Mrs. Dierking has been on the AGA Board of the Guam Chapter for over 32 years. Mrs. Dierking received her Bachelors of Science Degree from the University of Guam and Masters from the Emporia State University, Emporia Kansas. She has been a Certified Government Financial Manager since 1995.

Positions she has held include Government of Guam Bureau of Budget and Management Research Director, Senator of the Guam Legislature, Guam Housing and Urban Renewal Director, and University of Guam Accounting Assistant Professor.

She has been an AGA member for 32 years and has been an active member during this time holding many officer positions. Her service to AGA rose to a new level with her position as Regional Vice President, working to bring resources from the national office to Guam and strengthening our ties to Chapters in the Pacific.

She has served as a President, Membership Committee Chair, Co-Chair of the Education Committee, Early Careers Chair, Program Committee Chair, Community Service Committee Chair and Pacific Rim Region Vice President Elect and Vice President.

Over her career, Mrs. Dierking has always worked to strengthen the Guam Chapter of the AGA by encouraging her staff, co-workers, and peers to join the Chapter; influencing the local government to fund AGA membership, training, and conferences; assisting in arranging for guest speakers to our monthly meetings in order to stay current on issues within our government and community; sponsoring legislation to ensure our government accountants obtain continuous training to remain current with changing regulations. Through her work as Pacific Rim Vice President she has helped to establish the Chapter in the CNMI, build stronger ties to the Hawaii Chapter, brought government accounting trainers to Guam, encouraged National Officers to visit Guam and taken local issues to the National Organization.

We would like to thank Mrs. Dierking for her outstanding service and contributions to our Chapter and our community.

Great Turnout for Two-Day Workshop

Written By: Rodalyn Marquez

On March 7 and 8, 2007 Bill Broadus, CPA taught a 2-day workshop on Professional Ethics, Governmental Auditing and Accounting Standards. Mr. Broadus focused on the changes of the new Yellow Book. Professional Ethics and AICPA Accounting Standards Update. Discussions included the effective dates of the January 2007 revision for periods beginning on or after January 1, 2008 for financial audits and attestation engagements and audits beginning on or after January 1, 2008 for performance audits.

The major areas that were revised were:

- Bringing performance audits under a professional assurance framework, using concepts of audit risks, significance, and sufficient, appropriate evidence.
- Emphasizing the critical role of governmental audits in achieving credibility and accountability in government.
- Expanding and strengthening the discussion and guidance on audit quality.
- Outlining overarching ethical framework in government audits.
- Modernizing GAGAS and updating for major developments in the accountability and audit environment.

In Professional Ethics: Focus on Ethical Fitness in a Government Environment, Mr.

Broadus explained that what is considered appropriate in one country may not be in another country and that it could be difficult to know what is acceptable or not depending on where you are.

Ethics should be taught to children because it is not something you learn as an adult. Mr. Broadus provided a range of statistics regarding high school students and whether they cheated on an exam, lied to their parents, lied to their teachers, would lie to get a job, or took something from a store without paying for it.

There are two types of ethics-moral and technical. Moral ethics can be regarded as "plain old common sense." It's the simple principle of do unto others as you would like them to do unto you. Technical ethics are the requirements spelled out in the law or standards (AICPA standards, Yellow Book standards, etc.) Mr. Broadus also talked about the difference between stealing and abuse. Taking supplies from the office for the children is stealing. Using the supplies in a wasteful manner at work is abuse.

There are ten truths about fraud:

- Fraud is prevalent
- Anyone can commit fraud
- People commit fraud for different reasons
- The best deterrent is to increase the perception of detection
- Perpetrators are often the trusted employees

- Fraud schemes are not unlimited in number
- Red flags are only warnings
- Auditors cannot be relied upon to detect fraud
- Hotlines and fraud assessment questioning are useful techniques
- Prevention is superior to detection

In Accounting Standards Update: Focus on the Most Recent Accounting Standards, Mr. Broadus explained that GASB financial statements are unlike commercial statements and attention must be placed in preparing them due to the level of service that governments provide to the citizens. It is unfortunate, however, that the governments' budgets receive a lot more attention than the financial statements that reflect the entities' operations during the past year. Discussions included GASB 42 to GASB 48 and SAS 102 to 111.

What You Need to Know About Non-Profit Organizations

Written By: Llewelyn Restuvog

Our February guest speaker was Dan Fitzgerald, a partner of Deloitte & Touche, LLP, spoke on issues surrounding tax implications of non-profit organizations who undertake for-profit activities and the duties, responsibilities, and

liabilities of board members associated with this type of NPO.

Mr. Fitzgerald discussed the risks associated with being a board member of a non-profit organization. He stated that Boards do not seem to understand that they are liable for the organization's activities. Furthermore, board members do not usually understand the pitfalls, which Mr. Fitzgerald provided insight on various cases involving litigation of non-profit organizations.

Mr. Fitzgerald then stated that non-profit organizations are not always non-taxable. Only specifications of the activities in the organizations' articles of incorporation are tax exempted; therefore, if engaging in other activities, approval for tax exemption on those revenues should be obtained by the Department of Revenue and Taxation. The Department of Revenue and Taxation also has various filing requirements, which Mr. Fitzgerald discussed a concern with the requirement of publishing financial statements in a newspaper of general circulation. Although the requirement promotes transparency of the financial activities of non-profit organizations, the law does not define the extent of the information to be presented in the financial statements; however, board members have a fiduciary to understand accounting and should report more than just totals. In conclusion, Mr. Fitzgerald

stated that serving in a board capacity is fulfilling, but you should be aware of the risks and what is expected of a board member (i.e., knowing the articles of incorporation and what activities of the organization are taxable and tax-exempted).

Mr. Fitzgerald also advised that if you decided to be a board member you should: (1) be active, so that you can be made aware of risks, but do not micromanage; (2) attend board meetings as well as general membership meetings; and (3) ensure that you fulfill your fiduciary duties.



Pictured are President-Elect Matt Quinata, featured guest speaker Dan Fitzgerald, and President Chris Wolseley.

Member Happenings/Doings

- Mary Okada selected as President Elect for the Guam Community College.
- Several representatives from government organizations (UOG, GEPA, GEO, DOA, OPA, GHURA, GCC, and others) are participating in a 2007 Grantsmanship II workshop from April 18 to April 25, 2007 at the DOA

Training Center. The workshop is being presented by Sefton Boyars through the USDA Graduate School's Pacific Island Training Initiative Program. The training is being coordinated by the Guam Clearinghouse.

- Theresa Gumataotao and Llewelyn Restuvog have been selected to participate in a 60-day OJT program with the U.S. Department of the Interior, Office of the Inspector General from April through June 2007 in Lakewood, Colorado.
- Several of our AGA members – Zeny Nace, Lou Perez, Gener Deliquina (chorographer) and Matt Quinata (music/lights production) were at the Guam Women's Club Annual Masquerade Gala at the Hilton Hotel in March.



Pictured is Zeny, as Diana Ross' backup singer along with two other guests dressed as 60's peace makers.

Another CGFM Certification



Maripaz N. Perez recently passed the CGFM exam this past March 2007. Maripaz is a Management Analyst with the Office of the Public Auditor for over two years.

Please contact Jojo Guevara at 477-5931 ext.323 or at jbguevara@portofguam.com.

Annual Guam Women's Club Masquerade Gala

Several of our AGA members – Zeny Nace, Lou Perez, Gener Deliquina (chorographer) and Matt Quinata (music/lights production) were at the Guam Women's Club Annual Masquerade Gala at the Hilton Hotel in March.

Community Service Updates

Annual AGA Guam Chapter 5K Run/Walk

The tentative date for the this year's annual 5K run will be on June 2, 2007.



The Committee on Community Service is looking for volunteers for this event. We will start to meet this week to discuss some of the main items for the run plus to start sending letters to prospective donors.