

*Advancing  
Government  
Accountability*

**Association of  
Government  
Accountants**

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# Newsletter

MAY - AUGUST 2007

## President's Message



This is my first message to you as your chapter president. It's been a very interesting first month absorbing and understanding the role as your chapter president. The Chapter Executive Committee (CEC) and most, if not all, our past presidents have been very helpful to me and are instrumental in getting things going for this fiscal year. One of the most important meetings has taken place, which is our planning for our upcoming year. My goal is to continue to promote the CGFM to our community and ask our current CGFMs to help assist in this promotion with our government leaders.

Traditionally, our local chapter sends the President-Elect to the AGA's PDC before filling his/her role as Chapter President. Myself and several other chapter members attended the PDC in Nashville, Tennessee in June 2007. At the PDC, I accepted our Platinum Chapter Recognition Award. Congratulations to Chris Wolseley, our past President and to all our chapter members for achieving such a prestigious award. This award is the highest attainable by a chapter. I look forward to continuing this tradition of excellence. Thank you to Taling Taitano and Randy Wiegand for their continued follow ups to report our chapter's activities to AGA National.

Theresa Gumataotao has taken the role of our Program Director and is organizing a plan to invite a number of speakers who will speak on the military presence on Guam, the government of Guam's budget, financial products offered at several financial institutions and the newest tech toys in the market. Our Education Chairs, Zeny Nace and John Phillips have developed an educational plan in conjunction with our CGFM Coordinator, Doreen Crisostomo to include a focus on the CGFM.

With conjunction with the Department of Administration, our chapter recently hosted the CGFM Review course in the month of June. The instructor, Pete Rose and several participants joined us at our July monthly

meeting. Yuka Cabrera, who is also our Chapter Auditor, participated in the review course and several weeks later took and passed the exam. Congratulations to our newest CGFM. We also would like to congratulate Ms. Theresa Gumataotao for passing the exam in July. Thanks to Zeny Nace, our Educational Co-Chair for her dedication in helping to bring this course to Guam, and to Lou Perez, Director of the Department of Administration for her continued support of AGA.

Mr. Randy Wiegand has taken the role as our PEIC Chair and will be planning out our upcoming Pacific Emerging Issues Conference on July 8-11, 2008. I hope all of you will get involved by assisting Randy in making the Guam PEIC another success.

Our PDC raffle is on its way. Bobbie Howard our Membership Chair will be sharing the eligibility requirements to win a trip to the AGA PDC in Atlanta, Georgia next year.

These are great plans that will help us and guide us to another great year. We have been very supportive in our community. Jojo Guevara did a great job with the 5K Run/Walk this year and will continue to chair the Community Service Committee.

Let's not forget our Newsletter Editor, Lou Perez. Without her, we will not be able to share valuable news and information with you, and to our new Webmaster, Vince Dueñas who is taking on the challenge of updating and creating a new Guam AGA Website for us all.

If you would like to get involved, feel free to contact any CEC members. Get INVOLVED and let's have FUN.

Sincerely,  
Matthew Quinata  
Chapter President

**Please join us for our  
next Meeting – Friday,  
September 14, 2007, at  
the Le Premier Restau-  
rant Onward Beach Re-  
sort**

## Induction of New Officers

Congratulations to the newly sworn in officers for Chapter Year 2007-2008. Our officers include:

- President - Matthew Quinata
- President-Elect - Rodalyn Marquez, CIA, CGFM
- Secretary - Maripaz Perez, CGFM
- Treasurer - Thomas Paulino
- Past President - Chris Wolseley, CA

Our new officers were sworn in by the Honorable F. Philip Carbullido, Chief Justice of the Supreme Court of Guam on June 20, 2007 at the Le Premier Restaurant, Onward Beach Resort in Tumon.

The Chief Justice also gave a brief speech on the improvement and efforts towards accountability at the Supreme Court.



## AGA Guest Speakers

Every month the Guam chapter features a guest speaker to talk about the various issues facing our island and our government. The guest speakers for this quarter were:

- May-Senator Frank Ishizaki
- June-Chief Justice F. Philip Carbullido
- July-Director Artemio Ilagan
- August-Senator Ben Pangelinan

### Senator Frank Ishizaki

The chapter's guest speaker for the month of May featured Senator Frank Ishizaki and his thoughts on government reorganization. Senator Ishizaki presented two bills, Bills 83 and 84, introduced in the 29th Guam Legislature that will reorganize and consolidate various government of Guam agencies. Bill 83 creates the Department of Public Safety and consolidates the law enforcement entities. Bill 84 is an effort to consolidate the Guam Housing and Urban Renewal Authority and the Guam Housing Corporation. Senator Ishizaki stated that we cannot afford the current size of our government



May Guest Speaker: Zeny Nace, Senator Ishizaki, Rodalyn Marquez, and John Phillips

and we need to eliminate some redundancy within the public sector.

Senator Ishizaki is the former director of the Department of Corrections and the Guam Police Department. He is serving his first term as Senator in the 29th Guam Legislature.

### Chief Justice F. Philip Carbullido

The chapter's guest speaker for the month of June featured the Honorable F. Philip Carbullido, Chief Justice of the Supreme Court of Guam. The main purpose of his attendance was to swear in the new officers for the Guam AGA Chapter. Before he offered the oath of office to our new leadership for Chapter Year 2007-2008, Chief Justice Carbullido talked about the improvement and efforts toward accountability at the Supreme Court of Guam.

### Director Artemio Ilagan

The chapter's guest speaker for the month of July featured the Director of the Department of Revenue and Taxation, Artemio Ilagan. Director Ilagan focused his speech on the challenges his department faces with the military and the impending military buildup. He stated that his department is having a major issue with being able to identify the time-period military personnel are stationed on Guam and whether they are paying taxes into the government of Guam. Issues were also raised about off-island companies

doing business on military bases and whether the government is collecting their fair share.

Director Ilagan was appointed to his position by Governor Felix Camacho.



July Guest Speaker: Rodalyn Marquez, Artemio Ilagan, and Matt Quinata

### Senator Ben Pangelinan

The chapter's guest speaker for the month of August featured Senator Ben Pangelinan. Senator Pangelinan focused his thoughts on the military expansion on Guam, income tax refunds, and placing a moratorium on the Qualifying Certificate Program. Senator Pangelinan is serving his seventh term as Senator and was the Speaker of the 27th Guam Legislature.



August Guest Speaker: Rodalyn Marquez, Senator Pangelinan, and Matt Quinata

## Certified Government Financial Management Training

The AGA Guam Chapter and the Guam Society of CPAs sponsored a review course for the Certified Governmental Financial Manager. The course was held on **July 17-19, 2007 and July 23-25, 2007** and was free to the employees from the government of Guam line agencies.

Participants earned 48 CPE hours at this dynamic, comprehensive workshop. Special thanks and congratulations to instructor Pete Rose and organizer Zeny Nace for making this training a huge success.



2007 CGFM Training class participants

### What is CGFM?

The CGFM is the first certification broad enough to cover the whole field of government financial management - federal, state and local. New innovations, developments, and methods of implementation are creating a new environment in which government financial managers must function.

If you would like to learn more about the coveted Certified Governmental Financial Manager (CGFM) designation, please log on to <http://www.agacgfm.org/homepage.aspx>.

## Win a Trip to the 2008 AGA Professional Development Conference or 2008 PEIC Registration Costs

### 2007 PEIC Raffle Winners

Congratulations to the winners of the 2007 Pacific Emerging Issues Conference (PEIC) raffle. The winners will receive an all-expense paid trip to the PEIC, which will be held in August 2007 in Hawaii.



Winners and Alternates: Edgar Aguilar and Omar Santos (alternates), Lou Perez, Gina Taitingfong. Zeny Nace, Eun Sung Jang, with President Matt Quinata. Not shown, Llewelyn Restuvog.

### Monthly Lunch Winners

Congratulations to our monthly raffle winners. They win a free lunch during the next scheduled chapter meeting.

July—Omar Santos

Join us during our monthly meeting to be eligible for a free lunch.

For the AGA Guam Chapter program year 2007-2008 (July 2007 to June 2008), we will again be sending members to the annual AGA National Professional Development Conference (PDC). The 2008 PDC will be in Atlanta, Georgia in July 2008. We are planning to raffle two trips, and if funding permits, we will send additional members. All members in good standing will be entered in the raffle to earn CPEs if they meet the following listed requirements.

In order to be eligible you will need to attend 8 of 10 meetings from August 2007 to May 2008. Also, to be eligible, members will need to participate in at least one AGA sponsored community service activity such as the annual Christmas Bell Ringing or an Island Cleanup. Emails will be sent announcing the community service activities you can participate in throughout the year.

Winners will be requested to present a verbal trip report at the chapter meeting following the PDC. Just a brief report on your experience and what you considered was the best part of PDC. Members who attended the 2007 PDC on behalf of the chapter, as well as the President-Elect, are not eligible for the 2008 PDC raffle.

Attendance will be tracked for 10 meetings. Two may be unexcused. Two meetings may be excused only if you are

either off-island for (1) training or work or (2) for medical treatment. You must email to [agaguamchapter@yahoo.com](mailto:agaguamchapter@yahoo.com) to request for an excused absence.

If you meet the above requirements and are eligible for the raffle for the 2008 PDC, then you may earn an additional chance for your name to be entered in the raffle if you volunteer to chair a sub-committee for our annual 5K Run/Walk fundraising event or for a sub-committee for our 2008 Pacific Emerging Issues Conference (PEIC). We will send emails requesting for volunteers and look forward to your participation.

All members who have met the meeting attendance and community service requirements will also be included in a separate raffle to win one of four free registrations to Guam's 2008 PEIC scheduled for early July 2008. Members who are selected for the 2008 PDC, as well as the President-Elect, are not eligible for the PEIC raffle.

Two raffles to earn CPE's just for attending meetings and performing community service! We look forward to seeing you at the meetings and assisting with our chapter activities.

If you have any questions, please contact Bobbie Howard, Membership Chair, at [agaguamchapter@yahoo.com](mailto:agaguamchapter@yahoo.com).

## ETS Expected to Purchase Thomson Corporation

**STAMFORD, Conn., July 2, 2007** – The Thomson Corporation (NYSE: TOC; TSX: TOC), a leading provider of information solutions to business and professional customers worldwide, today announced that it has signed a definitive agreement under which ETS, the world's leading educational measurement and research organization, will purchase Thomson Prometric for \$435 million. The purchase price includes \$310 million in cash plus \$125 million to be paid through a promissory note due in 2014, and is subject to certain post-closing adjustments. The transaction is expected to close in the third quarter of this year and is subject to regulatory approvals and other customary closing conditions.

Thomson Prometric is the recognized global leader in technology-enabled

assessment services, providing paper-and-pencil, Internet and computer-based testing solutions. It offers a fully integrated testing system that includes test development, test delivery and data management capabilities. On behalf of more than 400 clients in the academic, professional, government, corporate and information technology markets, Thomson Prometric develops and/or delivers assessments through a global network of testing centers in 132 countries as well as direct to candidates via the Internet.

This sale is part of Thomson's previously announced strategy to sell the assets of its Learning business via three independent sales processes to enable Thomson to pursue opportunities better aligned with its growth strategy and business model.

Deutsche Bank Securities Inc. is the financial advisor to Thomson for the Prometric sale.

### The Thomson Corporation

The Thomson Corporation ([www.thomson.com](http://www.thomson.com)) is a global leader in providing essential electronic workflow solutions to business and professional customers. With operational headquarters in Stamford, Conn., Thomson provides value-added information, software tools and applications to professionals in the fields of law, tax, accounting, financial services, scientific research and healthcare. The Corporation's common shares are listed on the New York and Toronto stock exchanges (NYSE: TOC; TSX: TOC).

## What is the best way to study for the CGFM Examinations?

The best way to study depends on your knowledge, experience, time and location constraints and individual preferences. Start by reviewing the contents of each CGFM Examination in the "What Do Exams Cover?" section of AGA website (<http://www.agacgfm.org/cgfm/exams/default.aspx>).

"How Do I Prepare?" section of AGA website

([www.agacgfm.org/cgfm/prepare](http://www.agacgfm.org/cgfm/prepare)) offers a couple of ways to prepare for the CGFM Examinations, including:

-- instructor-led courses

(<<http://www.agacgfm.org/cgfm/prepare/instructorcourses.aspx>>) -

six days of comprehensive courses in government financial management offered in conjunction with Management Concepts.

-- self-study guides

(<<http://www.agacgfm.org/cgfm/prepare/studyguide.aspx>>) - the guides used in the instructor-led courses can also be used for individual self-study. -- a list of resource materials

(<<http://www.agacgfm.org/cgfm/prepare/studymaterials.aspx>>) - these resources can help you find information on specific topics.

Review each choice to determine what would work best for you. Your

local AGA chapter may provide additional support (study groups, etc.) to help you prepare for the examinations. In addition, AGA is once again offering an Intensive Review Course and an opportunity to take CGFM Examinations at its Professional Development Conference.

If you have any questions, call the Office of Professional Certification at 800.AGA.7211, ext. 306.

(Article submitted by Katya Silver-Director of Professional Certification Administration AGA - Advancing Government Accountability)



## Join Hawaii AGA at the 14th Biennial Pacific Emerging Issues Conference/RPDI

AGA's Hawaii Chapter, the American Society of Military Comptrollers (ASMC) and the Western Intergovernmental Audit Forum (WIAF). ASMC, are sponsoring the 14th Biennial PEIC conference for the Pacific on **August 22-24, 2007**. The theme for this year's conference is "Management for the 21st Century" and will be held at the Sheraton Waikiki Hotel in Honolulu, Hawaii.



A highlight of the conference will be the keynote address presented by U. S. Comptroller General David M. Walker on "Transforming Government, Management and Accountability". Marion Higa, Auditor, State of Hawaii will present the opening address on "Managing and Evaluating Public Service".

## GASB Issues Accounting and Financial Reporting Guidance for Intangible Assets

### July 2007

The Governmental Accounting Standards Board (GASB) recently issued its fifty-first statement of governmental accounting standards, *Accounting and Financial Reporting for Intangible Assets*.

Examples of intangible assets in the governmental arena include easements (which are the right to use land for a specific purpose, such as building a highway), land use rights (such as the right to use a water source or to remove minerals or other resources from land), computer software, patents, and trademarks.

The inclusion of the concept of intangible assets in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, prompted many questions about how to identify intangible assets and, if a government has one, how to report it. The issuance of this new Statement is intended to provide clear and consistent answers to those critical questions.

The Board believes the requirements in this statement will improve financial reporting by reducing inconsistencies that have developed in accounting and financial reporting for intangible assets, and foster enhanced comparability among state and local government financial statements.

### The Nature of Intangible Assets

Statement No. 51 identifies an intangible asset as having the following three required characteristics:

- It lacks physical substance—in other words, you cannot touch it, except in cases where the intangible is carried on a tangible item (for example, software on a DVD).
- It is nonfinancial in nature—that is, it has value, but is not in a monetary form like cash or securities, nor is it a claim or right to assets in a monetary form like receivables, nor a prepayment for goods or services.

- Its initial useful life extends beyond a single reporting period.

### How Should Intangible Assets Be Reported?

The standard generally requires intangible assets to be treated as capital assets, following existing authoritative guidance for capital assets, although certain intangible assets are specifically excluded from the scope of the statement. One key exclusion relates to intangible assets that are acquired or created primarily for the purpose of directly obtaining income or profit. Such intangible assets should be treated as investments.

The standard also provides guidance for issues specific to intangible assets. For instance, to report the historical cost of an intangible asset in the financial statements, the asset has to be *identifiable*. That means that the asset is *separable*—the government can sell, rent, or otherwise transfer it to another party. If it is not separable, the asset has to arise from contractual or other legal rights, such as water rights acquired from another government through a contract that cannot be transferred to another party.

### Internally Generated Intangible Assets

Although many intangible assets are purchased or received from other parties, some are developed internally by a government itself, such as proprietary software systems. The outlays related to developing such assets may be incurred over time, rather than being incurred at a single point in time when a purchase occurs. Accounting for such outlays presents unique challenges—including, first and foremost, when to begin recognizing the asset.

The standard specifies three circumstances that have to be met in order for outlays related to an internally generated intangible asset to begin to be reported as a capital asset:

- The government's specific *objective* for the project and the *service capacity* in which the asset is expected to be used upon the

project's completion has been determined.

- The *feasibility* of completing the project so that it can be used in that capacity has been demonstrated.
- The government's *intention* to complete or to continue the development of the asset has been demonstrated.

Importantly, the standard also provides detailed guidance for applying these circumstances to computer software, a common type of internally generated intangible asset.

### Indefinite Useful Life

Those intangible assets which have no legal, contractual, regulatory, technological, or other factors limiting their useful life should be considered to have an indefinite useful life. A permanent right-of-way easement, for example, should be considered to have an indefinite useful life. An intangible asset with indefinite useful life should not be amortized unless its useful life is subsequently determined to no longer be indefinite due to a change in circumstances.

### Incorporating Feedback

Based on feedback from constituents regarding the proposed version of this standard, the Board decided to ease the transition provisions that originally required retroactive reporting. The Board also clarified the descriptions of the characteristics of intangible assets to make them readily understandable in the final standard. Finally, as noted earlier, the Board added a scope exception requiring that an intangible asset acquired primarily to obtain income or profit be treated as an investment.

### When Does the Standard Take Effect?

Governments are required to implement Statement No. 51 for periods beginning after June 15, 2009. Early implementation is encouraged.

## Member Happenings/Doings

### Snapshots of the PDC 2007 in Nashville, Tennessee



Congratulations to Herminia Duenas Dierking, CGFM, for receiving the National Chapter Service Award and for her 32 years of service to the Guam Chapter.



President-Elect Matt Quinata represents the Guam Chapter in receiving the Platinum Chapter Designation from AGA National President Jeff Hart. Guam AGA received this award for attaining between 17,501 and 20,000 continuing professional education credits for the year.



Pictured with the Guam contingent, Theresa Gumataotao and Jose Guevara receive the Community Service Award for their active participation in community service projects. Not pictured: Jose Guevara.

## Community Service Updates



AGA held its annual 5K Fun Run in June 2007. 570 walkers and runners turned out for the event. Big Brothers, Big Sisters and the Guam Girl Scouts, non-profit organizations benefited from the proceeds of the race. Special thanks to Jojo Guevara, event chairperson.



Community Service Chair Jojo Guevara and Education Co-Chair Zeny Nace received a Certificate of Recognition on behalf of the AGA Guam Chapter at the Salvation Army's Luncheon on May 18, 2007.



Education Co-Chair Zeny Nace and Treasurer Rodalyn Marquez presented the "Non-Profit Requirements" to the Guam Council of Women's Club at the Hyatt Hotel on April 10, 2007.

## Guam AGA's Outgoing President



A special "Thank You" and "Congratulations" to Chris Wolsey for a successful tenure as our Chapter President for Program Year 2006-2007. Chris will now serve as Guam AGA's Immediate Past President.

## AGA Guam Chapter Statement of Financial Position

	
Association of Government Accountants Guam Chapter P.O. Box 1124 Hagatna, Guam 96932	
Statement of Financial Position June 30, 2007 (Unaudited)	
<b>Assets</b>	
Checking account	\$65,669.74
Accounts receivable, net	<u>2,344.00</u>
<b>Total assets</b>	<u>\$68,013.74</u>
<b>Liabilities</b>	
Accounts payable	<u>\$0.00</u>
<b>Total liabilities</b>	<u>\$0.00</u>
<b>Net assets</b>	
Restricted	21,300.44
Unrestricted	<u>46,713.30</u>
<b>Total net assets</b>	<u>68,013.74</u>
<b>Total liabilities &amp; net assets</b>	<u>\$68,013.74</u>
Statement of Activity For Fiscal Year Ended June 30, 2007 (Unaudited)	
Revenues	\$48,682.09
Expenses	<u>25,227.86</u>
Increase (Decrease) in net assets	23,454.23
Net assets, beginning of year	<u>44,559.51</u>
<b>Ending net assets</b>	<u>\$68,013.74</u>
/s/ Thomas Q. Paulino, Treasurer	

## Chapter Executive Committee Chairs

Awards Committee	Taling Taitano, CPA, CGFM
Auditor	Yuka Cabrera, CPA, CIA, CGFM
Chapter Recognition Program	Chris Wolseley, CA & Taling Taitano, CPA, CGFM
CGFM Coordinator	Doreen Crisostomo, CGFM, Ph.D.
Community Service	Jojo Guevara & Llewelyn Restuvog
Education Committee	John Phillips, CPA, CGFM & Zeny Nace, CPA, CGFM, CFE
Historian	Francis Quinto, CPA
Membership Committee	Bobbie Howard, CPA & Thomas Paulino
Newsletter	Lou Perez & Vince Duenas
PEIC Committee	Randy Weigand, CPA, CGFM; Taling Taitano, CPA, CGFM; Francis Quinto, CPA; & Lou Perez
Programs Director	Theresa V. Gumataotao, CGFM
Website	Vince Duenas

***AGA is always seeking volunteers. You may contact any CEC member for more information.***