



Association of Government Accountants Guam Chapter

Advancing Government Accountability

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President
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President-Elect
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Secretary
Thomas Paulino
Treasurer
Chris Wolseley, CA
Past President

Minutes of the Chapter General Membership Meeting
Wednesday, March 26, 2008, 12 Noon
Le Premier Restaurant Onward Beach Resort Tamuning

1. Call to Order: President Matthew Quinata called the meeting to order at 12:18 PM
2. Opening Ceremonies – National Anthem and Guam Hymn
3. Introduction of Guests – Welcome to the following new members: Antoinette Bautista, Barbara Limtiaco, Teresa Blas, James Comer, David Burger, Kristine Delos Reyes, Barbara Molarte and Gloria Travis.
4. Approval of Minutes – Tabled until next meeting.
5. Treasurer’s Report - \$61,147 ending net assets as of February 29, 2008. Report was approved by the membership subject to audit. Department of Administration paid all of its receivable.
6. In Honor of Herminia Dierking - \$300 was donated to the American Cancer Society in her name. Her funeral is on April 5, 2008.
7. Guest Speaker – Department of Administration Director Lourdes M. Perez on the recently issued Performer and A.F.T.E.R. Analysis.
 - Ms. Perez started her presentation by stating that the reports were conducted by Frank Crawford of the Crawford & Associates consulting firm. The Performer and A.F.T.E.R. analysis are copyrighted analysis. The consultants were hired to facilitate the timely and complete issuance of audits in the insular areas.
 - Ms. Perez generally stated that as long as government of Guam’s finances closes at a loss, ratios will always be low. Guam’s financial health performance was 1.32 out of 10. This means that we owe \$1.17 for every \$1 assets we own. Also, we only have 3 cents for every \$1 in obligations to vendors, tax refunds, and other debts the government have. Essentially, government of Guam only earned 89 cents for every \$1 it spent; hence expending more that it earned.
 - The huge drop in change in net assets is mainly attributable to the general fund with a deficit of \$22 million. The deficit was due to the recognized liability of \$123 million for the COLA and \$90 million for the EITC settlements, which were recorded in FY 2006.
 - Intergenerational equity, which is an indicator of who is paying for today’s costs of services shows that government of Guam funded 89.4% of its current expenses with current year revenues. The level of budgetary fund balance indicates the amount of unexpended and

available resources government of Guam has at a point in time to carryover into the next fiscal year to fund budgetary emergencies, shortfalls or other unexpected needs. This year, the general fund balance deficit was 124.6% of its annual revenue, and continues to grow.

- Revenue dispersion indicates how government of Guam is dependent on certain revenue types. The analysis showed that government of Guam only has control of 37.4% of all money it receives (from GRT and business tax). This indicates that government of Guam is exposed to financial difficulties from over reliance on non-controlled revenues.
- Financing the Debt. Ms. Perez noted that for FY 2006, government of Guam had \$725 million of long-term debt or \$4,684/capita which is considered a high burden on its people.
- Will we be able to pay government of Guam employees when they retire? FY 2006 ratio for pension funding was 48% of its accrued benefit liability. This indicates that the plan was less than half funded at the valuation date and is considered an unfavorable funding percentage. Ms. Perez did share that entities are paying a little more every year to the plan so that the unfunded liability will decrease.
- Ms. Perez concluded that they have presented a fiscal deficit recovery plan to the Legislature, but has yet to be entertained. She urged the membership for support of the plan.

8. Officers Nomination: Here are the slate for program year 2008-2009:

Jojo Guevera - President Elect
Thomas Paulino - Treasurer
Mark Alviz – Secretary

9. Committee Reports:

- a) Membership Committee – There are currently 8 new members. Please renew AGA membership and due date is March 31, 2008.
- b) Community Service Committee – Looking for volunteers for the annual 5K Run. The run is scheduled on June 7, 2008 at the Chamorro Village. More information will be emailed to the membership.
- c) Education Committee
- d) PEIC 2008 – Scheduled on July 8-11 at the Marriott Hotel. Slate of speakers consist of David Cotton, Leeland Miller, Bill Broadus, and Gene Yamamura.
- e) Awards Committee
- f) Scholarship – High school and college scholarships are now available.

10. Raffle – Free lunch for April 2008 meeting.

11. Next Meeting – Wednesday, April 23, 2008 at Le Premier Restaurant Onward

12. Adjournment – Meeting adjourned at 1:17 PM.

Minutes Prepared by:

/s/ Maripaz N. Perez
AGA Secretary