

# Hawaii Kukala



Association of Government Accountants

June 2013 Issue

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## **Hawaii Chapter Receives Silver Award for Program Year 2012-2013**

The Hawaii Chapter received a Silver Chapter Recognition Award for the program year 2012 -2013. President Ross Okumura was informed of the award by the AGA National Office on June 7, 2013. The AGA Chapter Recognition Program recognizes chapters that maintain a well-rounded program for the professional growth of its members.

To achieve this honor, the Hawaii Chapter earned points in a number of areas, including sponsoring luncheon meetings, educational events, and community service projects; having a website; filing a tax return; and adding new members. Congratulations to the Officers and Committee Chairs for achieving this award and to all the members who participated in our many events!!

The Chapter will be recognized and presented with an award at the AGA National Professional Development Conference to be held July 14 – 17, 2013 in Dallas, Texas.

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### **President’s Message from Ross Okumura**

“All good things must come to an end.” Often one does not know or understand the true meaning of that saying. With my term as Chapter President ending, I fully understand the phrase.



At the beginning of the year, I had a welcome message to all members asking everyone to join us on a new adventure as we start the year. Before long “the adventure” was half way through the year in the Holiday Season and now the Chapter year is ending. Speaking personally this has been a grand adventure for me. I would like say a large Thank You to the Officers, Directors, and Committee Chairs for all of their help, guidance, work, and support through the year. Also I would like say thank you very much to all the Chapter members. Through the different Chapter events, I have been very fortunate to be able to meet and interact with so many members. Every member interaction reinforced what I thought at the beginning of the year, the strength of our Chapter is the Members.

Thank you again for the memorable and great year. I am very excited and look forward to the great future that the Chapter has with Dallas Weyand II as our incoming President.

Thank you,  
Ross

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## AGA Sectional Leadership Meeting

Edwin Young represented Hawaii at the Sectional Leadership Meeting held in Los Angeles on April 19-20, 2013. He provided the following notes:

National AGA leaders presented priorities, goals, and objectives of AGA and discussed chapter requirements, resources, and tools. Of special concern, they reported that membership is declining and presented their goals for increasing membership. They include the following:

- Establishing multiple levels of membership and dues for students, early career and full-time professionals
- Promoting the Certified Government Financial Manager (CGFM) certification
- Working to expand intergovernmental agreements and communications among the many professional and auditing organizations
- Reminding chapters to participate in the Chapter Recognition Program by submitting required reports, plans and strategies to achieve local and national goals
- Providing links, tools, and resources on its website that the local chapters can use

The regional representatives expressed hope that the Hawaii Chapter would restart its professional development and technology conferences. The AGA regional senior vice-president who resides in Marianas and the other Pacific basin representatives stated that they used the Hawaii sponsored conferences to satisfy their CPE requirements. Discussions revealed that the Hawaii Chapter is better off than many other AGA chapters as it has better financial reserves, has initiated student membership drives, and has issued a citizen centric report.

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## National News

### Professional Development Conference (PDC) 2013

The AGA PDC will be held in Dallas, Texas from July 14 – 17, 2013. The theme this year is “Big Challenges, Bigger Thinking” and will feature 85 training sessions and up to 24 CPEs. The registration fee for members ranges from \$775 to \$875 and is dependent on whether the registrant has a CGFM and/or is a government employee. If you are interested, more information is available at the AGA national website: [www.agacgfm.org](http://www.agacgfm.org). You can register for the conference on-line.

### Membership Profile of Bowha Kang in Topics Newsletter

Bowha Kang was featured in the membership profile of the May 20, 2013 issue of the Topics Newsletter, a national AGA publication. When asked, “What’s the best thing about AGA?” She replied, “I am glad I joined AGA as a student member and had the opportunity to network with professionals in various fields of accounting. As an AGA member, I am also the Student Relations Liaison and the Chair of the Citizen-Centric Report. By taking on these positions, I feel more comfortable in working side-by-side with other professionals, and gained a better understanding of what to expect in the business world. After I graduate in spring 2013, I plan to continue my membership with AGA, and be able to give back to the community as an AGA professional.” We’re so glad she contributed so much to our chapter as a student. We hope our other student members will take the opportunity to participate in leadership positions.

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## Recap of Recent Events

Here is a round-up of the events that occurred recently. As you can see from the number of events, we truly deserved the Silver Award this year. Thanks to all those who participated in the various luncheon meetings, community service projects, and educational events!

### Audio Conference on Issues in Government Contract Management

On March 13, 2013, Hawaii Chapter members had the opportunity to dial in for free and receive two Continuing Professional Education (CPE) credits and learn about issues in government contract management. The audio conference was led by Steven M. Maser, a Professor of Public Management and Public Policy at Willamette University's Atkinson Graduate School of Management in Oregon. With his colleague, Fred Thompson, Maser received a grant from the Naval Postgraduate School Acquisition Research Program to study bid protests and contracting at the Department of Defense. His talk was entitled "Improving Source Selection and Reducing Protests in an Age of Austerity". The other presenter, Tab Tsukuda, is a senior manager in Ernst & Young LLP's Government Contract Services practice. He provides government contract advisory services to aerospace and defense, health care, and engineering and construction companies and he discussed "Indirect Cost Allocation Concepts". A big mahalo to Carol Lee for chairing this event.

### Ronald McDonald House Community Service Project

Volunteers cooked dinner for the occupants of the Ronald McDonald House located at 1970 Judd Hillside Road, Honolulu, Hawaii on March 16, 2013. After preparing and serving the meal, they were able to eat and interact with the families that make the Ronald McDonald House their home-away-from-home while their children are being treated at local hospitals. Thanks to Michelle Gibson, our hard-working Community Service Project Chair, and all the members who participated!



*Robert Hatanaka, Kerry Yoneshige, and Ross Okumura grill meat for the Ronald McDonald House occupants at the service project held on March 16, 2013.*



## Institute for Human Services Community Project



On Saturday, April 27, 2013 from 9:00 – 11:00 a.m., Hawaii Chapter members participated in a community service project at the Institute for Human Services Women’s Shelter in Honolulu, Hawaii. Members prepared centerpieces, mopped the floor, set up tables and chairs, moved tile to the side of the room, tied ribbons on books, and other tasks. Special thanks to Chairperson Michelle Gibson for organizing this event! And thanks to all the members who volunteered their time for a very worthy cause!

*Bowha Kang, Jamie Asato and Michelle Gibson working on the centerpieces at the Institute for Human Services.*

## “Talk Story” at University of Hawaii (UH) at Shidler College of Business

On April 1, 2013, a “talk story” event was held with UH accounting students. The emphasis for this event was on the public sector and employment opportunities for accountants in government service. The format, based on student requests, began with a presentation by President Ross Okumura on 1) What your AGA membership can do for you? and 2) Applying for Federal jobs. It was followed by three rounds of seated discussions with government accounting professionals. The evening ended with refreshments and conversations with the students. Thanks to Robert Hatanaka for chairing the event and to all the professionals who attended and shared their experiences and knowledge with the students.



*Seated left to right: Mamina Tahara, Pamela Young and Linda Siu Standing left to right: Julie Jong, Richard Baker and Keilyn Fujioka.*



### May Luncheon Meeting by Warren Lum

Our May Luncheon meeting was held on May 7, 2013 at the PKF Pacific Hawaii, Lokahi Learning Center. The featured speaker was Mr. Luis Salaveria, Deputy Director of Budget and Finance, State of Hawaii. Mr. Salaveria's speech topic was titled "Other Post-Employment Benefits (OPEB), GASB, and the Impact on State Budgeting"

Mr. Salaveria's believes that the State of Hawaii is moving in the right direction in following the implementation of GASB 43 and 45 to create more transparency and accountability in the recording of long-term liability associated with retired public worker health benefits, which make up most of what is known as OPEB. These retiree health benefit costs are soaring which is creating a huge unfunded liability problem for state governments across the nation. Seventeen states did not set aside any monies to fund their future retiree health care benefits. Only 7 states have funded at least 25 percent of their health care liability costs. Arizona and Alaska are the two best states but even in their case, only 50 percent of their health care costs are funded. For Hawaii, there is a \$13.5 billion unfunded liability related to retiree health care benefit costs and an additional \$8.5 billion in unfunded liability related to state pension benefits. One reason cited by Mr. Salaveria on why Hawaii's unfunded liability is so high is because the public education system costs are all funded through the state budget unlike other states which rely on city property tax collections.

The Hawaii State legislature has been attempting to deal with the issue of unfunded liability pertaining to retiree state benefits (both pension and OPEB). Mr. Salaveria cited the 2012 passage of Act 153 known as the Anti-Spiking Reform bill which assesses the last employer for those employees who meet the criteria of high compensation levels due to overtime and other non-base pay (pension-spiking) in the last years of employment. During the 2013 legislative session, House Bill 200 was passed to allow appropriations of \$217 million over fiscal years 2014 and 2015 to start prefunding unfunded liabilities pertaining to OPEB. In addition, House Bill 546 will statutorily require payment of the annual required contribution for future public worker health benefits beginning in 2019.



*Luis Salaveria,, Deputy Director of Budget and Finance, State of Hawaii, presenter at our May luncheon meeting.*

Mr. Salaveria closed out his speech presentation by summarizing why OPEB needs to be addressed now and how it will negatively impact the state of Hawaii with the following:

- Our state's financial health will quickly erode resulting in credit market risk downgrades
- Investors will require higher interest rates on state issued bonds
- OPEB related liabilities will consume more of our state operating budget squeezing out more essential government programs

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Mr. Salaveria's one hour presentation was well received by our AGA Chapter members and his interesting points generated a lot of questions from the AGA member audience. We appreciated the opportunity to learn about why OPEB issues really do matter to all of us living in Hawaii and its impact on future state budgeting. We want to thank 1) Kerry Yoneshige for arranging for Mr. Salaveria's speaking engagement, 2) Dwayne Takeno for making the PKF Pacific Lokahi Learning Center facility available, 3) Jennifer Domoloan for handling the Evite invitation system and 4) Donn Nakamura and Sharmaine Sotelo for manning the registration table on the day of the event. But most of all, we want to thank our members for their support in attending this AGA luncheon meeting.

#### Audio Conference on Ethics

The Hawaii Chapter sponsored a free teleconference for 2 CPEs on May 22, 2013, on ethics. The presenter was Bobby A. Derrick who retired after 35 years with the federal government and who is now a Field Manager and Chapter Consultant for AGA. He talked about reputation and how "a reputation that took decades to build can be threatened by a single event". He also discussed differences between values, morals, and ethics. In addition he provided the following suggestions for building trust in an organization: 1) live up to a set of core values; 2) act with integrity; and 3) take responsibility for mistakes. Thanks, again, to Carol Lee for chairing this event.

#### Joint Community Service Project with Rotary Team at the Battleship Missouri

Our final community service project, for what has been a very busy year providing service to others, was a joint event with the Rotary Club of Downtown Honolulu volunteering on the Battleship Missouri. It was held on Saturday, May 11, 2013 from 12:30 – 4:00 p.m. Participants were warned to wear sunscreen and covered shoes. Thanks to all the participants for their time and work on this famous battleship.

#### June Luncheon Meeting



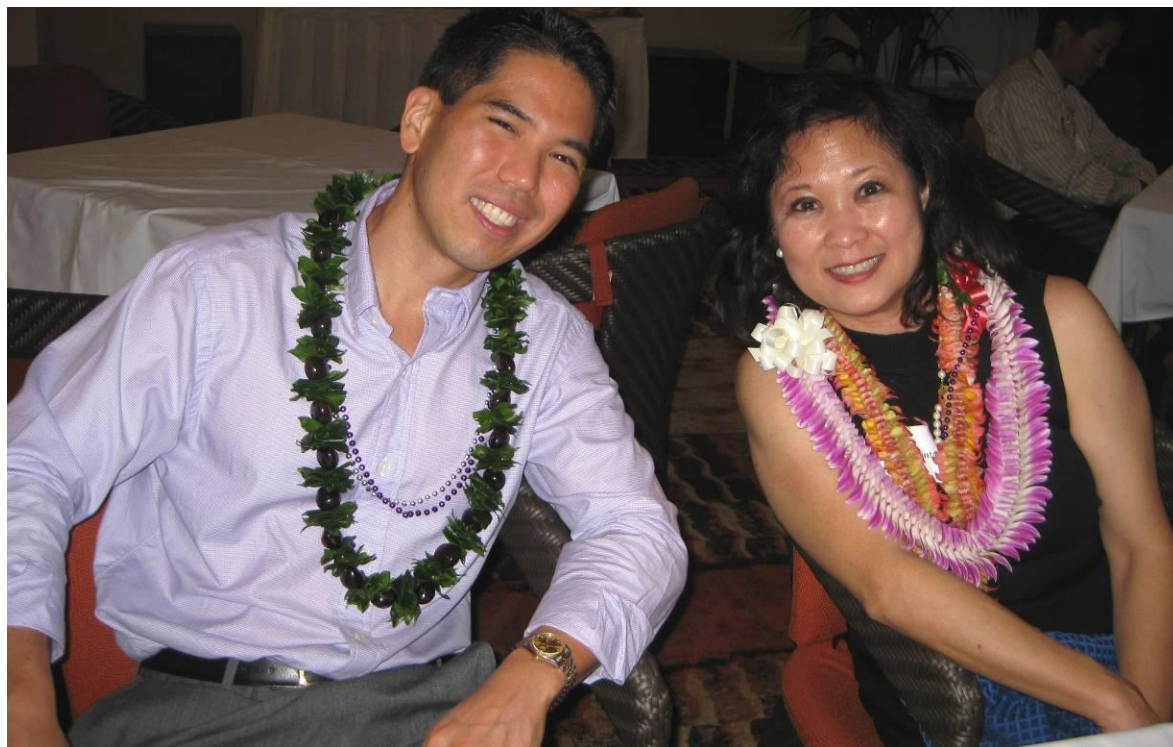
Our final luncheon meeting for the program year was held on June 6, 2013, from 11:30 to 1:30 p.m. at the PKF Pacific Lokahi Learning Center. The speaker was Dennis Higashiguchi, Senior Manager of Consulting Services at N&K CPAs Inc. His topic was one that many of our members can relate to – "CrazyBusy". Dennis has been a frequent speaker at our conferences and he has always been a very informative, dynamic, and entertaining speaker. Thanks to Dwayne Takeno for chairing this event and to Patrick Oki for allowing us to use the Lokahi Learning Center.

*Ross Okamura and Dennis Higashiguchi in front of the picture window of the Lokahi Learning Center overlooking Honolulu Harbor..*



## Year-end Social

The Hawaii Chapter Year-End Social was held on June 26, 2013, at the Waialae Country Club Diamond Head Room at 6:00 p.m. Those who attended were treated to fabulous pupus and the music of Alika, who sang and played the guitar. President Ross Okumura thanked members for their contributions during the program year and recognized four individuals for their outstanding service to the Chapter: Donn Nakamura, Warren Lum, Bowha Kang and Dwayne Takeno. He also recognized the outgoing officers: Patrick Oki, the Immediate Past-President, Dallas Weyand II, the President-Elect, Donn Nakamura, Treasurer, and Jennifer Ueki, Secretary. The officers for the next program year were introduced: Dallas Weyand II, President, Edwin Young, President-Elect, Donn Nakamura, Treasurer, and Robert Hatanaka, Secretary. Dallas then took over and briefed the membership of his plans for the coming year, including planning for the return of the professional development conference in 2015. Thanks to Valerie Shintaku for planning a wonderful year-end party.



*Donn Nakamura and Valerie Shintaku at the Year-end Social at Waialae Country Club on June 26, 2013.*

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## **Membership Corner**

By Warren Lum

New Members: A warm welcome to the following new members who recently joined our chapter:

<u>Member Name</u>	<u>Employer</u>	<u>Sponsor</u>
Rachel Hibbard	Hawaii Office of the Auditor	
Ryan Yamasaki	City & County of Honolulu	
Justin Odo	City & County of Honolulu	Pamela Young
Sophia Zhang	University of Hawaii – Manoa	
Lisa-Marie Tam	University of Hawaii – Manoa	Yudan Quian
Sherri Sakamoto	City & County of Honolulu	Pamela Young
Raelynn Gaspar-Asaoka	City & County of Honolulu	Pamela Young
Joan Bolte	City & County of Honolulu	Michael Hansen

A Reminder to Renew Your Annual Membership Dues

The annual membership cycle runs from April 1 to March 31. Annual fees for the 2013-2014 membership year should have been renewed by May 31, 2013 or your membership will be considered suspended. Even if you missed that date, you can still renew your membership. You can check your membership status by going to <http://www.agacgfm.org/homepage.aspx> and type in your login name and password. Current paid up members should show a Paid Thru date of 3/31/2014. However, for those new members joining after March 31, 2012, you do not have to renew your membership dues until your first anniversary date (i.e. if you joined on September 2012, your annual renewal invoice will be sent on or about September 2013). Thank you for supporting our AGA chapter!

Edwin Young Featured in Star Advertiser

Edwin Young, a Director for the AGA Hawaii Chapter during the 2012 – 2013 program year, and the incoming President-Elect for the next program year, was featured in the Honolulu Star Advertiser on March 22, 2013. He is also the City Auditor of the City and County of Honolulu. His office has received national recognition for its audits and reports.

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Job Announcement! Two City and County Auditor Positions

Networking and meeting other professionals are some of the benefits of AGA membership and sometimes it can lead to employment opportunities. From time to time, we let our members know about job openings on our website, [www.agahawaii.org](http://www.agahawaii.org), and by email. Edwin Young provided information on two auditor positions in the City Auditor’s office. If you are interested in applying for the positions, you will need to submit a cover letter and resume by July 31, 2013. More information is also available at <https://www1.honolulu.gov/council/auditor/>.

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<p><b><i>UPCOMING EVENT!!</i></b></p> <p>We are planning an educational seminar for Thursday, August 15, 2013. There will be a yellow book audit seminar presented by the GAO (4 CPE) and an ethics seminar (4 CPE). Location to be determined. Watch for future announcements!</p> <p><b>SAVE THE DATE!</b></p>
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A special thanks to Warren Lum and Pamela Young for their contributions to this issue. Warren contributed articles on the May luncheon meeting and the Membership Corner. Pamela provided the pictures that are featured in this newsletter.



## 2012-2013 Chapter Executive Committee and Committee Chairs

### Officers:

President	Ross Okumura, Air Force Audit Agency
President-Elect	Dallas Weyand II, KMH LLO
Treasurer	Donn Nakamura, Accuity LLP
Secretary	Jennifer Ueki, SAIC Hawaii Energy Program
Immediate Past President	Patrick Oki, PKF Pacific Hawaii LLP

### Directors:

Mark Chandler	Valerie Shintaku
Milagros Handel	Mabel Yeung
Robert Hatanaka	Kerry Yoneshige
Howard Todo	Edwin Young
Wei Lum	

### Committee Chairs:

Audio Conferences	Carol Lee
By-laws & Policies	Cindy Yee
Community Service Conference	Michelle Gibson
Luncheon Programs	Patrick Oki
Media	Dwayne Takeno / Warren Lum
Membership	Pamela Young
Networking	Dennis Moore
Newsletter	Valerie Shintaku
Nominations	Kay Murakami /Jennifer Deleon
Student Relations	Dallas Weyand II
Website	Robert Hatanaka
Citizen Centric Report/ Student Liaison	Milagros Handel
	Bowha Kang

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