

### PROFESSIONAL DEVELOPMENT MEETING

**Topic:**  
**Accounting  
Convergence**

**January 17, 2008  
Thursday**

**Speaker:**  
**William (Bill)  
O'Brien, MBA, CPA  
San Jose State  
University & Santa  
Clara University**

**Time: 11:30 AM -  
1:00 PM**  
1 hour CPE

**Place:** Pedro's  
Restaurant  
3935 Freedom Circle,  
Santa Clara, CA.  
Tel. (408) 496-6777

#### What's Inside?

President's Corner	2
CGFM News	3
GASB News	4
FASAB News	5
Upcoming Meetings	6

## Where in the World is Accounting Convergence?



Over several years, we have been successful in inviting speakers to our monthly Professional Development Luncheon Meeting (PDM) from the academia. For our January 2008 PDM, **William F. O'Brien, MBA, CPA**, once again gracefully accepted our invitation to speak.

Mr. O'Brien is a financial management consultant and educator with over 35 years experience. He has held senior financial management positions with Intel Corporation and ROLM Corporation and served as CFO for several emerging high technology companies. Mr. O'Brien has extensive experience in corporate planning, control, financial analysis, cash management and managerial accounting in both domestic and international settings. He is on the faculties of Santa Clara University and San Jose State University and is a frequent financial management seminar speaker in both the U.S. and abroad.

His topic will address the convergence of accounting in the U.S. as well as in the international accounting arena.

The accounting world is changing at warp-speed. FAS, IFRS, AICPA, PCAOB, GASB, FASAB, and FASB (all accounting governing bodies). Who is on first with respect to global standard setting?

Join us at this month's PDM as Mr. O'Brien discusses worldwide standards convergence, the FASB/IASB joint framework project and principles versus rules based standards.

His talk is sure to add food for thoughts to your new year accounting platter as accountant, auditor, financial analyst, etc. Take advantage of this reasonably priced continuing professional education (CPE) opportunities! – ed.

## CHAPTER EXECUTIVE BOARD

### **Jerry Gandara, JD, MBA**

President  
(US Navy - Department Contract Management Agency)  
(408) 742-1109  
Email: [rosalio.gandara@dcma.mil](mailto:rosalio.gandara@dcma.mil).

### **Grace Salandanan, CPA, CISA**

President-Elect  
(Santa Clara Valley Transportation Authority)  
(408) 321-7019  
[mailto:grace.salandanan@vta.org](mailto:mailto:grace.salandanan@vta.org)

### **Ann Xu**

Secretary  
(City of Saratoga)  
Email: [axu@saratoga.ca.us](mailto:axu@saratoga.ca.us)

### **Gary Epstein, CGFM**

Treasurer  
(Santa Clara Valley Transportation Authority)  
(408) 321-7019  
[mailto:grace.salandanan@vta.org](mailto:mailto:grace.salandanan@vta.org)

### **Alex Guiang, CGFM**

CGFM Coordinator/  
Newsletter Editor  
(Redevelopment Agency of the City of San Jose)  
(408) 795-1826  
Email: [agasiliconval@sbcglobal.net](mailto:agasiliconval@sbcglobal.net)

### **Kris De Lisle, CPA**

Board Member  
(Defense Contract Audit Agency)  
(650) 859-4351  
[Mailto:Kristine.delisle@dcaa.mil](mailto:Mailto:Kristine.delisle@dcaa.mil)

### **Vinod Sharma, CPA**

Board Member  
(County of Santa Clara)  
Email: [Vinod.Sharma@fin.sccgov.org](mailto:Vinod.Sharma@fin.sccgov.org)

## PRESIDENT'S CORNER

### **Jerry Gandara, JD, MBA**

Happy New Year! I hope everyone had a great Christmas and enjoyed the Holiday Celebrations.



As another year (2007) ends and another year (2008) begins, I want to thank all the Board Members for all the works they have done for the Chapter. Without them, AGA Silicon Valley Chapter would not be as active as ever. I would like to encourage other AGA chapter members to become part of the Board to help the chapter in going forward. We need additional members in the Board to continue the positive direction of the Chapter. Showcase your leadership capabilities or if you would like to sharpen or begin developing your leadership ability start by joining the Chapter Board. We need your creative thinking to support the Chapter.

As your chapter president, I hope to provide the AGA Silicon Valley Chapter with an in depth information with variety of speakers at our monthly luncheon Professional Development Meetings (PDMs), I hope you are able to attend. My attempt is also to bring the AGA Silicon Valley Chapter a part of the leadership in the Silicon Valley, drive the Silicon Valley business success, and help strengthen our government financial community.

I would like to thank **Ken Marshall**, Manager of Deloitte & Touché, who talked on Risk management, Governance and Compliance Technology at our October 2007 PDM. I am sure his topic added value to those presents at the meeting.

Our noted speaker for the January 17, 2008 luncheon meeting is **William (Bill) O'Brien, CPA**, professor at Santa Clara University and San Jose State University, who will discuss the convergence of accounting. I am positive that Bill's topic will add value to your work and accounting knowledge. I encourage you to join us!

Also, please mark your calendar for our upcoming PDMs:

1. For February 21, 2008, **Larry Stone**, Santa Clara's County Assessor
2. For March 20, 2008, IRS speaker on 2007 Tax Updates

## CGFM NEWS

### **Distance No Obstacle to Success for AGA's Guam Chapter**

**AGA's Guam Chapter has pulled off several feats that would make a CGFM superhero blush:**

- ❖ Guam's Office of the Public Auditor offers a one-step pay increase to employees who pass the three CGFM Examinations. CGFMs also receiving hiring preference there.
- ❖ Top AGA leaders have visited the island to meet with government officials and speak to the chapter, including at least three Past National Presidents.
- ❖ For the last three years, members have persuaded legislators to commit \$25,000 to the chapter to provide continuing education to government employees.
- ❖ Most recently, members did all the footwork involved in offering AGA's six-day series of Government Financial Management training courses, which provided 48 CPE hours to more than 30 government finance professionals in July.

For a small chapter located 6,000 miles from the West Coast of the United States, no obstacle is too great.

Zeny Asuncion-Nace, CGFM, CPA, CFE, the chapter's education committee co-chair, said enticing an instructor to travel to Guam was one challenge in bringing the courses to the remote island. Securing the funding was another, but both were solved with the \$25,000 appropriation and the willingness of Pete Rose, CGFM, to teach all three courses.

She said the enthusiasm of previous visitors to Guam has sparked interest in the chapter's activities. They included Past National Presidents WA "Bill" Broadus Jr., CGFM, CPA, Bobby A. Derrick, CGFM, and Jeffrey S. Hart, CGFM, CFE, among other AGA leaders. The chapter also coordinated visits to the dean of the University of Guam, officials from the Department of Administration and key legislators. These meetings "fortified the importance of the CGFM certification within the Guam government," she said.

She went on, "The positive feedback from these speakers has created a lasting impression and has made it a lot easier to request a facilitator to conduct workshops in this part of the world."

The chapter had no problem filling the Government Financial Management training courses. Rose said attendees came from a variety of government agencies and the private sector. "They were very attentive. They asked a lot of good questions. I tried to make it meaningful for them, so we used financial statements from Guam," he said. "I thought it went extremely well." Asuncion-Nace said attendees "had nothing but high praise" for Rose. (See related story on Yuka Cabrera, the first attendee to pass the CGFM Exams.)

Asuncion-Nace, who works at the Office of the Public Auditor, said the one-step pay increase at the office is a big motivator for staff to become certified, and the hope is that other government agencies will follow suit. "CGFM is a certification that is broad enough to cover various fields of financial management, and therefore has created a large interest from employees working in the budget environment, from government auditors to accounting support staff, who possess the credentials to sit for the CGFM Examinations but may not have enough credits to sit for a CPA certification."

The course offering was so successful that Asuncion-Nace plans to bring it to Guam next year, too. If the past is any indication, success is assured.

## **CGFM Review and Examination Offered**

### [Intensive Review Course/CGFM Examinations to take place in February 2008 in Washington D.C.](#)

Interested in the CGFM certification? Sign up for AGA's Special Intensive Review Course and take the CGFM Examinations before the National Leadership Conference in Washington, D.C. Don't miss this opportunity to earn your CGFM! The Intensive Review Course will take place from 8 a.m. – 5 p.m. on Monday, Feb. 18, and Tuesday, Feb. 19, 2008. The CGFM Examinations will be offered by appointment only on Feb. 20 and 21.

The cost of the course is only \$249 for qualified participants, and it offers 18 CPE hours. Special Bonus: The CGFM Examinations are offered at no cost to course attendees. This is a special limited enrollment offer for those individuals who have already been studying for the CGFM Examinations and need extra reinforcement of the material. The Intensive Review Course is **not a substitute** for the three instructor-led training courses. On the contrary, it is designed as a supplement to previous preparation for the CGFM Examinations. Attending previous courses or studying using CGFM Study Guides before participating in this event is strongly encouraged. The cost of this course is not included in the NLC registration fee. If interested, visit [http://www.agacgfm.org/nlc\\_2008/cgfm\\_exam.htm](http://www.agacgfm.org/nlc_2008/cgfm_exam.htm)

---

### ***GASB ISSUES STATEMENT NO. 52, LAND AND OTHER REAL ESTATE HELD AS INVESTMENTS BY ENDOWMENTS***

The Governmental Accounting Standards Board (GASB) today issued GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. The statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

Prior to the issuance of Statement 52, state and local government endowments were required to report land and other real estate held as investments at historical cost, which provides information on investment results only in the year the investments are sold. However, entities that perform investment functions similar to endowments-including pension plans, other post employment benefit (OPEB) plans, external investment pools, and Internal Revenue Code Section 457 deferred compensation plans-have been required to report their land and real estate investments at fair value. Reporting those investments at fair value provides more decision-useful information about their composition, current value, and recent changes in value.

In order to help users of financial statements better evaluate an endowment's investment decisions and performance, Statement 52 requires governments to report the changes in fair value as investment income. It also requires them to disclose the methods and significant assumptions employed to determine fair value, and to provide other information that they currently present for other investments reported at fair value.

GASB Statement No. 52 is effective for financial statements for periods beginning after June 15, 2008. Governments that wish to implement earlier than that date are encouraged to do so. (Source: [www.gasb.org](http://www.gasb.org))

## **FASAB Issues Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements**

The Chairman of the Federal Accounting Standards Advisory Board, Tom Allen, announced the issuance of Statement of Federal Financial Accounting Concepts 5, *Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements*. This is the fifth in a series of concepts statements – the conceptual framework – intended to set forth objectives and fundamentals on which financial accounting and reporting standards will be based. Concepts statements do not establish new financial accounting standards. The primary audience for concepts statements is the Board itself.

“These definitions of assets, liabilities, net position, revenues and expenses provide a common foundation for distinguishing between items that are candidates to be recognized in accrual-basis financial statements and those that are not. This foundation will ensure that the accounting standards lead to financial statements that provide information that is comparable across agencies and programs. Such a foundation is critical to meeting the objectives of stewardship and operating performance.” According to Chairman Allen.

SFFAC 5 is available on the Internet at <http://www.fasab.gov/codifica.html>. (Source: [www.fasab.gov](http://www.fasab.gov))



Ken Marshal, Manager of Deloitte & Touché, making presentation at the October 2007 Professional Development Meeting. He covered Risk Management, Governance and Compliance Technology.



At the right:  
Jerry Gandara,  
Chapter  
President  
presenting Ken  
Marshall a token  
of appreciation  
after making  
presentation at  
the October  
2007  
Professional  
Development  
Meeting.

### **Upcoming Professional Development Meeting Speaker and Topic**

February 21, 2008

**Larry Stone**  
Santa Clara County Assessor

**Topic:** Current Residential and  
Commercial market conditions, the  
Silicon Valley anomaly and Cost  
Accounting for Governmental  
employees

**March 20, 2008**

IRS Speaker (invited)  
Tax updates

**Please mark your calendar!**

### **Are you planning to attend the January Professional Luncheon Development Meeting?**

**Contact:** Gary Epstein, CGFM  
**Email:** [gary.Epstein@vta.org](mailto:gary.Epstein@vta.org)  
**(408) 321-5683**

### **Meal Selection:**

All served with Spanish Rice, Refried Beans,  
and a Beverage (Coffee, Tea, or Soda)

- Flauta Gringa (Crisp Jack Cheese-Filled  
Flour Tortilla)
- Chicken or Vegetarian Burrito

**Cost:** Members & Students \$20, Nonmembers  
\$25

**HAPPY HOLIDAY - MARTIN LUTHER JR. KING DAY!**

**"Life's most urgent question is: what are you doing for others?"  
Martin Luther King, Jr.**