



**AGA Guam Chapter
General Membership
Meeting Minutes
Wednesday, November 18, 2015
Hyatt Regency Guam Resort**

Artemio "Ricky" Hernandez, CGFM
President
Yuka Hechanova, CPA, CIA, CGFM, CGAP,
CGMA
President-Elect
Rachel F. Cubacub, PMBA
Immediate Past-President
Josie Villanueva, CPA, CGFM
Treasurer
Clariza Mae Roque
Secretary

Attendance Count: 25 members, 4 non-members, and 2 JAS members.

1. Meeting called to order at 12:13pm by President Ricky Hernandez.
2. Approval of Minutes. Tabled.
3. Treasurer's Report. Tabled.
4. Committee Reports
 - a. Education Committee.
 - i. AGA Guam Chapter and GSCPA will be co-sponsoring an Accounting and Auditing Workshop from November 30th to December 2nd by Dennis Dychus in the Blue Coral Room at the Guam Plaza Hotel.
 - b. CGFM Committee. Jojo announced the CGFM Practice Exam Promotion which provides funding for up to fifteen CGFM Practice Exams for eligible members.
 - c. Membership Committee. Ricky recognized the November AGA Guam Membership Anniversaries:
 - i. 25 Years: Todd Smith (Deloitte)
 - ii. 15 Years: Anna Gilmore (UOG)
 - iii. 14 Years: Michael Cabral (DOA)
 - iv. 6 Years: Cheryl San Nicolas (GCC)
 - v. 4 Years: Janet Dirige (UOG) and Josephine Muescan (UOG)
 - vi. 2 Years: Reginald Diaz (UOG)
 - d. Early Careers Committee. No update.
 - e. Community Service Committee. Contact Frances or Ariana for more details.
 - i. Can Food Drive for Salvation Army Guam (November 20th). Frances needs agency point of contacts for assistance. Let her know by Friday, November 20th. Deadline for canned goods is December 14th.
 - ii. Salvation Army Bell Ringing on December 5th and December 12th from 10am to 12pm at the GPO Food Court.
 - iii. 2nd Annual Christmas Charity Raffle to benefit St. Dominic's Senior Care Home. (December 30th)
 - f. Scholarship Committee. Available for UOG and GCC students.
5. Guest Speaker: Mr. Joseph Bradley, Bank of Guam SVP/Chief Economist and Business Continuity Officer
Topic: Economic Update and SEC Reporting

China

China has a much greater influence on our economy. China has been on the rise with the private sector and federal government activities because of China's "behavior". Other exports are down and domestic demand is not picking up the slack for that. They encouraged more consumption among their citizenry, but it may take several years for people to change their habits. They are really affecting "resource exporting" countries in a negative way because China's demands have fallen off a cliff.

After China's stock market started crashing, its government responded, in part, by having "smart savers" buy shares and support prices. China decided to intervene and boost stock prices. However, it didn't work and the stock market prices continued to drop. China was forced to suspend sharemarket trading following

declines of more than 7% in the Shanghai market as investors dumped shares ahead of the planned removal of a six month ban on share sales by large companies.

Chinese investments are already dominant in Palau. Investors have brought in “buckets full of money.” They’re buying up hotels and apartment buildings and converting them into bed-and breakfast places. Some of the small, local tourism operators in Palau, however, are beginning to feel pinched by the massive foreign investment. Chinese investors are also bringing in their own tour boat and tour bus operators in Palau, so local small businesses are struggling to compete.

Japan

Gross domestic product fell two out of four quarters. Production is still below 2005 levels (a weak year). Employment is relatively stagnant. Employment is still low. But Japan’s facing another problem of an aging population and they are not replenishing their population like most places are and so have a shrinking labor force. We can expect their gross domestic product to continue to decline.

There was a time when the Yen was strong that Japan began investing heavily in the United States, including building hotels in Guam. Japan slowly stopped investing in the US, even as the Yen grew stronger. They have taken an active policy to expand their money supply quickly, drive down the value of the yen, hoping to build exports in the process in time.

Iran

Lifting sanctions against Iran may help keep oil prices down and oil prices are way down. One way or another this is very good for us. Guam imports almost everything so shipping rates have gone down. But lower gas prices give us more money to spend on other things. It costs a lot less or it should cost a lot less for tourists to fly to Guam. That’s good for us and we’ve been seeing our visitor arrivals go up.

Guam

Visitor arrivals continue to rise. As of September 2015, Guam saw 1,042,000 visitor arrivals. The second highest September arrival ever. Increase in South Korea and China visitors. Taiwan and Japan arrivals are down. Japan arrivals decreased from 82% to 57% over the course of 5-6 years is catastrophic. Guam’s tourism is geared towards the Japanese. Russia is down. Capacity utilization rate is still not good in the tourism industry.

Rather than cutting jobs with the increase of minimum wages, it increased. Unemployment rate has improved, but remained persistently high at 7.7%. Military Build-Up may come from Hawaii, Georgia, California, and other points because of China.

SEC Reporting

Not many companies on Guam perform SEC reporting. The BankGuam Holding Company operates as the bank holding company for the Bank of Guam that provides various banking products and services to consumers, businesses, and governments. They file 10-Qs and 10-Ks. SEC Form 10-Q is submitted quarterly by all public companies to the SEC and firms are required to disclose relevant information regarding their financial position. A Form 10-K is an annual report required by the SEC that gives a comprehensive summary of a company’s financial performance.

6. Raffle Winner is Pilar Pangelinan.
7. Other Matters
8. Next Meeting: Wednesday, December 30, 2015 at 12:00pm. AGA Guam Chapter Christmas Luncheon.
9. Meeting adjourned at 1:29pm.
Jerrick motioned to adjourn meeting and Bobbie seconds. All were in favor.

Minutes prepared by: /s/ Clariza Roque
AGA – Guam Chapter Secretary