



# The AGA Messenger

President's Message

Lee Ann Watters

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I am back in Kentucky after attending the Southeastern Regional Professional Development Conference, hosted by the East Tennessee Chapter in Gatlinburg, last week. Our Central Kentucky chapter was well represented - we sent 12 people to the conference. We took a lot of good-natured teasing from our Tennessee counterparts; however, after Wednesday's ballgame, we gave a lot as well.

The conference opened with a presentation by the current AGA National President, Bobby Derrick, who spoke on leadership. Leadership was really the prevailing theme of the conference as we discussed leadership in ethics, organizational survival and risk management. The closing session of the conference was presented by Will Bartholomew, a former University of Tennessee full-back whose presentation was entitled "Experience All of Life." This particular session was probably the most personally beneficial one of the conference. Mr. Bartholomew spoke on the importance of choosing to be enthusiastic about your situation each and every day. By the time he was finished, there wasn't an unenthusiastic person in the seminar!

The East Tennessee Chapter sponsored a raffle to benefit the Friends of the Smokies, a group whose goal is preserving the National Park. The raffle raised over \$1,000 and a check was presented to a Friends of the Smokies at the end of the conference. I am happy to report that no one from Central Kentucky won either of the basketballs autographed by the UT coaches - although Rick Waddle will be sporting a UT baseball cap around town.

AGA's national president has challenged every member to recruit at least 1 new member before the close of the membership year, April 30, 2005. Every AGA member who meets this challenge will be entered into a drawing to receive dinner for 2 at an exclusive restaurant in your area.

Finally, I urge each of you to access AGA's web-site, [www.agacgfm.org](http://www.agacgfm.org) and check out the specifications for AGA's 54<sup>th</sup> Annual Professional Development Conference. The conference will be held July 10-13 in Orlando, Florida. The conference is offering 25 hours of CPE and promises to be an excellent learning and networking opportunity for government accountability professionals.

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## Win a Free Lunch!

See Page 4 for details...

# Central Kentucky Chapter News

## Chapter Executive Committee Meetings

The Chapter Executive Committee met on Wednesday, March 9 at Garcia's Restaurant in Frankfort. Lee Ann Watters, Chapter President, gave the committee an update on the recent Regional PDC.

The Nominating Committee discussed possibilities for filling committee positions and the Scholarship Committee discussed the recent scholarship application deadline and the awarding of the scholarship.

Cindy Upton, Education Coordinator, discussed the training that will be offered at the May Banquet and next year's Professional Development Conference in October. Additional details of the May banquet were discussed and will be voted on at April's CEC meeting.

Lydia Reynolds discussed incentives to encourage attendance at membership meetings. It was decided that door prizes will be drawn beginning with the June meeting. Additionally, a membership survey will be conducted to get feedback from the chapter.

Lee Ann Watters and Rick Waddle, President-Elect, discussed who the chapter will be sending to the National PDC in Orlando in July. This will be decided at a later date.

The Chapter Executive Committee also met on Wednesday, April 5 at Longhorn Steakhouse. Lee Ann Watters and other members of the Scholarship Committee gave an update on the awarding of the scholarship. Additionally, the Nominating Committee and Cindy Upton updated us on the forthcoming slate of officers and the issue of non-members holding seats on committees.

The chapter's representation at the National Professional Development Conference in July was discussed along with possible reimbursement of some of the attendees' expenses.

Finally, the committee discussed the particulars for the May Membership Banquet.

The Chapter Executive Committee will meet in May on the 5th at Panera Bread.

### March Chapter Meeting – Penny Gold

Penny Gold, Executive Director of the Kentucky Society of CPAs, spoke at the chapter meeting. She gave an update on the current status of the Tax Modernization Act and Budget Bill working their way through the 2005 Legislature.

Ms. Gold discussed the tax act in relation to the following topics:

- Single member LLCs

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# Upcoming AGA Events & CPE

## Central Kentucky Chapter Events

- Chapter Executive Committee Meeting  
May 4, 2005  
11:30 a.m.  
If you'd like to have your ideas discussed by the committee, please submit them to one of the officers listed on Page 10.
- Chapter Membership Meeting  
April 14, 2005  
Office Pub and Deli, \$5

## Community Service News

Remember! Bring all of the pop tabs you've been collecting to the April and May meetings. Amy Small, Community Service Coordinator will turn them in to the Kentucky Cancer Program. Ask everyone in your office to start saving their tabs.

The Tsunami Relief collection raised \$80 for the American Red Cross at the January and February meetings. The AGA National Office will match this amount! Good job!

If you've got a cause or an event you would like to see AGA support, contact Amy Small!

## CGFM CPE requirements

Have you renewed your CGFM and/or AGA membership this year? The annual invoices went out in February and are due by March 31, 2005. If you have not submitted your payment, please be sure to mail a check, fax your credit card information or pay online ([www.agacgfm.org](http://www.agacgfm.org)) as soon as possible.

If you are a CGFM holder, paying the renewal fee is not the only requirement of keeping your designation active. In fact, you cannot renew the CGFM unless you are compliant with the CGFM Continuing Professional Education (CPE) requirement of earning at least 80 CPE hours in your last two-year CPE cycle, with at least 20 hours in each year.

Your two-year CGFM CPE cycle depends on the year your CGFM was awarded: if you have earned your CGFM in 1996, 1998, 2000 or 2002, your last two-year CPE cycle just ended on December 31, 2004. If you do not have 80 CPEs in 2003-2004, you can catch up during the grace period of January 1-March 31, 2005. Any hours completed towards a deficiency in one CPE cycle may not be counted towards the next cycle.

If you have earned your CGFM in 1994, 1995, 1997, 1999, 2001 or 2003, your current CPE cycle is 2004-2005 and you should have earned a minimum of 20 CPE hours in 2004 and will need to complete 80 CPE hours by the end of this year.

## AGA National Academic Scholarships Due April 1, 2005

FullTime, Part-time & Community Service Scholarships Available

\*All AGA Members or Family Members are eligible



AGA gives out a number of scholarships each year. This year, the National Scholarship committee is requesting electronic applications. Any AGA Member or Family Member is eligible. Please copy the appropriate link into your browser to connect to the correct form:

High school students: <http://www.agacgfm.org/membership/awards/downloads/HighSchoolNomForm.doc>

Undergraduate students: <http://www.agacgfm.org/membership/awards/downloads/UndergraduateNomForm.doc>

Interested in becoming involved but don't want the added commitment of being an officer? **Join a committee!**

Opportunities available to serve on the Education, CGFM, Programs, Community Service or Scholarship com-

### AGA Professional Development Conference

- July 10-13, 2005
- Orlando, Florida
- 25 CPE Hours available

The first 100 registrants will be entered into a special drawing for a FREE hotel night and tickets to Universal Studios! Register today at [www.agacgfm.org](http://www.agacgfm.org)

## Why Should You Attend Membership Meetings?

- A. Enjoy camaraderie with fellow accounting-types while eating a great-tasting lunch and learning about the profession
- B. Network with potential clients, employers and employees
- C. Earn CPE when offered
- D. Win a free lunch (starting in June)!
- E. Get a chance to win the quarterly prize (\$50 value!) or the annual prize (\$100 value!). The more you attend, the more chances you'll have at scoring a great gift. (Beginning with the June membership meeting.)
- F. All of the above!

*Two men look out through the same bars;  
one sees the mud and one the stars.*

—Frank Langbridge



# Studying For CGFM Examination

The first examination (although the exams can be taken in any order) covers the "Governmental Environment." A CGFM certificate holder should have an in-depth knowledge of the structure and workings of government. This exam focuses on seven areas:

- A. Organization and Structure of Government
- B. Legal and Other Environmental Aspects of Government
- C. Interrelationships Among Planning, Programming, Budgeting, Operations, Accounting, Reporting and Auditing
- D. Governmental Financing Process
- E. Public Accountability
- F. Ethics in Government
- G. Financial Management Responsibilities and Skills

The subjects covered in each of these sections can be found at the AGA website ([www.agacgfm.org](http://www.agacgfm.org)) on the CGFM tab under "What Do Exams Cover?", Examination 1.

The first two sections of examination 1 address basic civics information often covered in political science or public administration courses. Those subjects were typically studied sometime ago by most of us and focused on concepts. However, those concepts are reality for someone working in or with government. Studying for this examination should include some reflection on how the concepts behind the structure and operation of government affect actions in the workplace. For example, the responsibility to provide education was not delegated to the Federal government in the U. S Constitution; it was reserved to the states. How does this affect the ways the federal government can influence the actions of education programs in the individual states? How does the state's control of its political subdivisions affect a local school district's funding? Most college-level public administration books have information on government structure and the concept of governmental sovereignty.

The management cycle, while also present in the corporate world, can be applied uniquely in governments. Books used for college level management courses can be referred to obtain both a theoretical foundation and practical applications on the processes and interrelationships in the management cycle. Simply using a search engine such as Google and searching on "plan, program, budget, operate, account, report, audit, cycle" will bring up numerous sites where strategic planning documents support the practical usefulness of the cycle and where audit reports document problems that occur when the cycle breaks down.

Governmental Financing Process addresses various ways governments raise revenues: taxes, grants, shared revenues, user fees, debt, etc. The unique revenue sources of special-purpose governments are also addressed in this section. The Government Finance Officers Association has several books that discuss these issues:

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- Local Government Finance Concepts and Practices by John E. Peterson and Dennis R. Stachora, eds.
- Tax-exempt Financing: A Primer
- An Elected Officials' Guide to Debt Issuance by J.B. Kurish and Patricia Tigue
- A Guide for Preparing a Debt Policy

Public administration course books will also have information on other types of financing and often discuss pros and cons of using certain types of financing options.

Many of the topics in the Public Accountability and Government Ethics sections are likewise covered in public administration books. The AGA Code of Ethics is a "must study" for the section of the test (<http://www.agacgfm.org/about/codeofethics.aspx>). Practical ethics application discussions are also encouraged for CGFM candidates. Government employees really do have a private life and the same rights as other citizens. So, what happens if our family owns land next to a proposed government annexation/ purchase that may increase or decrease the value of the land and my government position makes me a part of the decision-making process? What ethical actions are available for me?

The final section deals with management responsibilities and skills. Test preparation should include reviewing the responsibilities and duties of the federal CFOs as set forth in the CFO Act of 1990. The heads of other government financial groups have similar responsibilities. Management Policies in Local Government Finance, GFOA, and Management Control in Nonprofit Organizations by Robert Anthony and David Young, can provide some insight.

The Governmental Accounting Standards Board's Concept Statement 1 (Objectives of Financial Reporting) and Statement 2 (Service Efforts and Accomplishments Reporting) should be studied, as should the Federal Accounting Standards Advisory Board's SSFAC 1 (Statements of Federal Financial Reporting). Other resources for Examination 1 study can be found on the AGA website. Many of these books are costly at list prices. Local AGA chapters may want to facilitate studying for the exams by purchasing some of these publications. Some books can also be purchased from the used book section of [www.amazon.com](http://www.amazon.com), [www.half.com](http://www.half.com) or used textbook sites.

Several of the books should be available at the libraries of colleges or universities with departments of public administration.

AGA offers a comprehensive online course that allows individuals to take the Governmental Environment training when convenient. The cost is \$195; 8 CPE credits are available for the course. Information about the course is available at [www.agacgfm.org/cgfm/prepare](http://www.agacgfm.org/cgfm/prepare).

Management Concepts, Inc. provides instructor-led courses on topics covered by the CGFM exam. The Government Environment is Course 5601. Information for this course can also be found on [www.agacgfm.org/cgfm/prepare](http://www.agacgfm.org/cgfm/prepare).

Finally, a self-study guide is being prepared for the Governmental Environment exam and is scheduled to be available later this year.

by Virginia Brizendine

## Central Kentucky Chapter Membership Survey

We are conducting this membership survey to better understand your interests as well as those of all our other members. Please help us out by completing this survey and returning it to us either by faxing it to Lydia Reynolds at (502) 695-2025, or by mailing it to Lydia Reynolds @ 308 Versailles Road, Frankfort, KY 40601.

### About Me:

I work within the:	State: <input type="checkbox"/>	Local: <input type="checkbox"/>	Federal: <input type="checkbox"/>	Private Sector: <input type="checkbox"/>	Education: <input type="checkbox"/>
I have worked in the government sector, and/or have been providing services to the government sector for:					
	0-5 yrs <input type="checkbox"/>	6-10 yrs <input type="checkbox"/>	11-15 yrs <input type="checkbox"/>	16-25 yrs <input type="checkbox"/>	25+ yrs <input type="checkbox"/>
My occupation is primarily:	Budget <input type="checkbox"/>	Finance <input type="checkbox"/>	Accounting <input type="checkbox"/>	Auditing <input type="checkbox"/>	Other _____
I also belong to these professional organizations: _____ _____					
I hold these professional certifications: _____ _____					
My dues are paid by:	Myself <input type="checkbox"/>	My employer <input type="checkbox"/>	Other _____		
My training is paid by:	Myself <input type="checkbox"/>	My employer <input type="checkbox"/>	Other _____		

### Training:

I would like to see the following program <u>topics</u> offered (check 3, please):					
Communication <input type="checkbox"/>	Auditing <input type="checkbox"/>	Fraud <input type="checkbox"/>	Financial <input type="checkbox"/>	Technology <input type="checkbox"/>	Internal Controls <input type="checkbox"/>
Leadership/Management <input type="checkbox"/>	Other _____				
I would prefer Chapter education events to be held:					
		In Frankfort: <input type="checkbox"/>	Outside Frankfort: <input type="checkbox"/>		
I am MOST likely to attend seminars offering 1 CPE at (check all that apply):					
		Breakfast <input type="checkbox"/>	Lunch <input type="checkbox"/>	Dinner <input type="checkbox"/>	
I would likely attend CPE Seminars offered for (check all that apply):					
		Full Day <input type="checkbox"/>	1/2 Day A.M. <input type="checkbox"/>	1/2 Day P.M. <input type="checkbox"/>	
The MAJOR reason(s) I attend training are:			Event Interests Me <input type="checkbox"/>	Relevant topic <input type="checkbox"/>	Funding <input type="checkbox"/>
Time of Day <input type="checkbox"/>	CPE <input type="checkbox"/>	Program Length <input type="checkbox"/>	Presenter <input type="checkbox"/>	Location <input type="checkbox"/>	Other _____



*(Continued from page 2)*

- Definition of corporation
- Entities excluded from corporate income tax and alternative minimum tax calculation
- Federal tax reporting conformity
- Military relief
- Taxation of non-residents
- Trusts

The KSCPA has not taken a position on the Tax Modernization Act because CPAs have some clients who benefit from the new plan and some who do not. After the bills were presented, KSCPA offered technical assistance.

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Individuals who have not met the CPE requirement need to contact AGA's CGFM office at 1.800.AGA.7211 ext. 313.

Not all CPEs can count towards the CGFM designation. The hours earned must be in government financial management topics or related technical subjects applicable to government financial management areas. CPEs must contribute to the CGFM's professional proficiency in government financial management, and you need to maintain documentation of the CPE completed (for at least three years). This documentation may be requested by AGA if you are selected to be audited; however, CGFM holders should not automatically send information on their CPE hours to AGA at the time of renewal.

For more information on CGFM CPE requirements, please visit AGA website at [http://www.agacgfm.org/cgfm/maintain/cpe\\_requirements.aspx](http://www.agacgfm.org/cgfm/maintain/cpe_requirements.aspx).



Eleven members of the Central Kentucky Chapter attended the Regional Professional Development Conference at the beginning of March. Pictured from Left to Right are: Roy Hunter, Lydia Reynolds, Lee Ann Watters, Doris Howe, Phil Nally, Celina Green, Nadine Cox, Nancy Beth Gillum, Rick Waddle, Terri Fugate, and John Williams.

<b>AGA CENTRAL KENTUCKY CHAPTER</b>											
<b>TREASURER'S REPORT</b>											
<b>FOR THE MONTH OF FEBRUARY 2005</b>											
<b>OPERATING ACCOUNT</b>				<b>EDUCATION ACCOUNT</b>							
<i>Beginning Bank Balance</i>				\$	3,788.69	<i>Beginning Bank Balance</i>				\$	2,595.13
Revenue:				Revenue:							
Interest				\$	4.15						
Transfer from Education					1,514.13						
Chapter Dues					45.40						
<b>Total Revenue</b>				<b>\$</b>	<b>1,563.68</b>	<b>Total Revenue</b>				<b>\$</b>	<b>0.00</b>
Expense:				Expense:							
January Meeting Subsidy				\$	(5.00)	Transfer to Operating				\$	1,514.13
						Refund above break-even					81.00
<b>Total Expense</b>				<b>\$</b>	<b>(5.00)</b>	<b>Total Expense</b>				<b>\$</b>	<b>1,595.13</b>
<i>Ending Bank Balance</i>				\$	5,357.37	<i>Ending Bank Balance</i>				\$	1,000.00

<b>Chapter Executive Committee</b>			
<b>Office</b>	<b>Officer</b>	<b>Email</b>	<b>Phone Number</b>
<b>President</b>	Lee Ann Watters	LWatters@mountjoybressler.com	(502) 695-1040
<b>President-Elect</b>	Rick Waddle	Rick.Waddle@ky.gov	(502) 564-7750
<b>Past President &amp; Historian</b>	Roy Hunter	RHunter@mountjoybressler.com	(502) 695-1040
<b>Secretary &amp; Newsletter Editor</b>	Lydia Reynolds	LReynolds@mountjoybressler.com	(502) 695-1040
<b>Treasurer</b>	Phil Nally	Phil.Nally@ky.gov	(502) 564-7750
<b>Program Coordinator</b>	Sydney Lawson	SLawson@kde.state.ky.us	(502) 564-6910
<b>Early Careers Director</b>	Sharon Parrish	SParrish@gwmail.kysu.edu	(502) 564-6910
<b>Education &amp; Training Coordinator</b>	Cindy Upton	Cindy.Upton3@lrc.ky.gov	(502) 564-8100
<b>Community Service</b>	Amy Small	Amy.Small@auditor.ky.gov	(502) 573-0050
<b>Attendance &amp; Membership Coordinator</b>	Linda Sgraves	Linda.Sgraves@auditor.ky.gov	(502) 573-0050
<b>CGFM &amp; Public Relations Coordinator</b>	Mary Hudson	Mary.Hudson@auditor.ky.gov	(502) 573-0050
<b>Website Development Coordinator</b>	Dan Flaherty	danielwf@insightbb.com	(502) 573-0282

*AGA serves government accountability professionals by providing quality education, fostering professional development and certification, and supporting standards and research to advance government accountability.*