



Advancing Government Accountability

# THE AGA LEDGER

A Publication of the Association of Government Accountants  
Ozarks Chapter, Springfield, Missouri  
[www.ozarksaga.org](http://www.ozarksaga.org)

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## Message From The President

It is hard to believe its June, and I have already completed a year as your President. What a great year it's been. We have had wonderful programs and speakers for our monthly meetings, earning an hour of CPE each month. The annual seminar continues to be a big hit that allows us to raise money for our scholarship recipients. Community service has become a standard part of our quarterly club and member activities.

A special congratulation goes out to Deb Fraley, who has produced an award winning newsletter. Thank you Deb, and all the officers and members for making our club so worthwhile.

I look forward to working with Jerry Mitchell and the new board to further the growth of the Ozarks Chapter of AGA. I hope you will join me in the coming year in support of the club activities. It's a great way to earn CPE and to develop long standing professional relationships.

Thank you for a great year!

## Ozarks Chapter June Meeting Event

**Tuesday, June 13, 2006**

**12:00 Noon**

**At the**

**Tower Club**

**Cost of Luncheon and CPE \$18.00**

\*\*\*\*\*

**Speaker: Thomas J. Kremer, CPA**

**Director of Audits, State Auditor's Office**

**Topic: Petition Audits**

Tom Kremer is the director of local government audits for the Missouri State Auditor's Office. He is responsible for the coordination and review of all county and petition audits, as well as all other local government issues. He has been with the SAO for more than 30 years, having worked for 6 different state auditors. *Cont'd on next page..*

**RSVP:** Cindy Stein 829-6201

**[cstein@greencountymo.org](mailto:cstein@greencountymo.org)**

by Monday, June 12 at 3:00 PM

Recommended CPE: 1 hour

In addition to his work in local government, Tom has been involved in audits of the Departments of Insurance, Elementary and Secondary Education, Higher Education, and Conservation. He has also worked with the Missouri State Highway Patrol, the Federal Bureau of Investigation and many state and local law enforcement agencies on various fraud investigations.

Tom is originally from Jefferson County, Missouri and is a graduate of the University of Missouri-Columbia. He is a Certified Public Accountant and a member of the Missouri Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

## Seminars and Conferences

### AGA

#### **55<sup>th</sup> Annual 2006 Professional Development Conference & Exposition.**

**June 18-21**, at the San Diego Marriott Hotel. Overflow hotel: Omni San Diego. Don't forget to register!

[Register Online](#)

[Reserve Room Online](#)

### **DON'T FORGET!!!**

#### **Midwestern Regional Chapter Officers Workshop**

**June 9 and 10, 2006** at the Kansas City Marriott Country Club Plaza

This workshop is an opportunity to get acquainted with national, regional and other chapter officers. **See May newsletter for details.**

#### **First National Internal Control & Fraud Conference**

**September 25-26, 2006** at the Hyatt Regency Atlanta Hotel in Atlanta, GA

The theme is: "Fraud Prevention and Detection: The Newest Tools and Techniques"

[Register online.](#)

[Print registration form to send by fax/mail](#) (Adobe PDF).

## MINUTES



### Ozarks Chapter of AGA

#### May 9, 2006 Meeting

Cindy Stein called the meeting to order. The minutes and treasurer's report were read and approved as read.

Jerry Mitchell read the nominating committee report. The following nominations were made and approved for the July 2006 through June 2007 tenure:

President	Jerry Mitchell
President Elect	Vacant
Past President	Cindy Stein
Secretary	Deb Gillenwaters
Treasurer	Vicki Franke
Scholarship Committee Chairperson	Katherine Burnett
Webmaster	Linda Charles
Newsletter Editor	Deb Fraley
Director of Membership	Justin Hill
Director of Professional Certification	Teresa Allen

Cindy recognized Deb Fraley for winning honorable mention in the national competition for AGA chapter newsletters.



She then introduced AGA Regional Vice-President Frank Faughn. Frank gave an update for the regional activities. He recommended the regional officer's meeting being held in Kansas City on June 10<sup>th</sup>. He also recommended the duties of the President Elect for the fall seminar be divided among a committee to make the position less formidable.



Center: Frank R. Faughn, Jr., AGA Regional Vice President

Dr Nichols introduced the speaker, Jim Brown. Mr. Brown thoroughly discussed "SAS 99, Consideration of Fraud in a Financial Statement Audit". He reviewed the audit process, the impact of GAGAS and A-133, fraud types and characteristics, techniques for gathering information, risk assessment, communications, and unique governmental issues.



Jim Brown, CPA, CGFM; Quality Control Partner, BKD

Cindy thanked both Mr. Brown and Mr. Faughn for their contributions and adjourned the meeting.

### Standard & Poor's Lifts Calif. From Bottom of Ratings Barrel

California no longer has the lowest credit rating of any state, thanks to a modest upgrade announced May 17 by Standard & Poor's because of a \$7.5 billion state tax revenue windfall from a strong economy. Standard & Poor's moved California up one notch from "A" to "A+" with a stable outlook, putting the Golden State ahead of hurricane-ravaged Louisiana but still below the other 48 states

### Baby Boomers More Worried about Gas Prices than Funding Retirement: AICPA/Harris Poll

More baby boomers are concerned about gas prices and uninsured medical costs than planning for retirement and other long-term expenses, according to a new poll by Harris Interactive for the AICPA. The results of the poll revealed that 51 percent of Americans age 45 and older have greater worries about short-term financial issues - rising energy costs, uninsured medical expenses, the price of gas and credit card debt - than they do about longer-term concerns like caring for aging parents, lack of savings for an emergency and even retirement itself. The AICPA's *360 Degrees of Financial Literacy* program has set up a [consumer Web site](#) with hundreds of *free* tools and resources to help educate consumers about personal finance matters, including retirement. Of course we still have our financial literacy [website](#) within the AICPA web domain with tools and other information for you to carry the financial literacy message to your communities.

### Chapter Recognition Award

**Columbia Chapter**, Lisa Park Smith, President

**Dover Capital Chapter**, Tammy M. Korosec, President

**Hartford Chapter**, Perstein R. Cave, CGFM, President

**Japan Chapter**, Wayne Carl Ingle, CGFM, President

**Lake Missoula Chapter**, Barbara A. Berens, President

**Ozarks Chapter**, Cindy S. Stein, President

**Roanoke Chapter**, Vicki B. Delp, President

### 2006 Newsletter Awards:

Group E

First Place: Silicon Valley

Alex Guiang, CGFM

Newsletter Editor



### Honorable Mention: Ozarks Chapter

Deb Fraley, CPA

Newsletter Editor

**OZARKS CHAPTER OF AGA  
CASH REPORT  
MAY, 2006**

Beginning Balance July 1, 2005 \$3,137.92

**Income:**

Chapter Dues	\$ 138.35
Meetings	2,486.00
Merchandise Sales	0.00
Seminar	<u>2,095.00</u>

Total Income \$4,719.35

**Expenses:**

Board Meetings	38.00
Check Printing	0.00
Gifts	91.40
Meetings	2,516.61
Membership Drive	0.00
Newsletter	0.00
Scholarship Awards	1,500.00
Seminar	848.37
Website	<u>0.00</u>

**Total Expenses** \$ 4,994.38

Ending Balance May 31, 2006 \$ 2,862.89 \*\*

**SUMMARY:**

Beginning Balance	\$ 3,137.92
Ending Balance	2,862.89
Net Increase (Decrease)	<u>\$ (275.03)</u>

**SEMINAR:**

Receipts	\$ 2,095.00 *
Disbursements	848.37
Net Income	<u>\$ 1,246.63</u>

**MEETINGS:**

Receipts	\$ 2,486.00
Disbursements	2,516.61
Net Income ( Loss)	<u>\$ (30.61)</u>

\*\* This balance does not reflect the \$25.00 in our savings.



## Springfield Power Plant passes 59% to 41%

SPRINGFIELD -- Springfield voters Tuesday approved a \$615 million bond issue to let City Utilities build a coal-fired power plant. "This is a great day for Springfield and for CU customers. Everyone wins through affordable, reliable electricity that will be provided from one of the cleanest units of its kind in America,," said John

Twitty, CU General Manager. "Now, we start the task of beginning construction on a very important project. We appreciate this vote of confidence from Springfield."

Although turnout was expected at around 25%, only 17,956 of Springfield's 97,573 registered voters cast ballots, a turnout of 18.40%. Approval of the bond issue for the power plant project will mean a rate increase for City Utilities customers beginning in the fall of 2010. CU expects the average increase to be \$9.63 per month.



*Chairman Bill Thomas, R-CA, stands with President George W. Bush as H.R. 4297 is signed into law)*

On May 17, 2006 President George W. Bush signed H.R. 4297, the **Tax Increase Prevention and Reconciliation Act of 2005**, into law. The Act prevents several current-law tax provisions from expiring in the near future. These provisions affect a broad spectrum of taxpayers, including investors, job creators and middle-income families. The two largest pieces of the bill are the extension of the lower tax rates on capital gains and dividends and the extension of the alternative minimum tax (AMT) protection.

### **Short Summary of Conference Report:**

- Capital Gains and Dividends – Two-year extension of reduced capital gains and dividend rates through 2010.
- AMT Relief – Extension of AMT relief for 2006, including increased exemption levels and favorable treatment of non-refundable personal tax credits.
- Enhanced Section 179 Expensing – Two-year extension of enhanced section 179 expensing through 2009.
- Subpart F Reform – Two-year extension of the active financing exception. In addition, the Conference Report establishes the "CFC look-through" rule for three years.

- Revenue Offset Provisions – Narrowly-targeted revenue offset provisions that address specific tax avoidance and compliance issues. The Conference Report does not contain controversial Senate “revenue raisers” that have drawn bipartisan concern, such as codification of the economic substance doctrine.

*Chairman Bill Thomas (R-CA) Committee on Ways and Means 05/09/2006 12:00 P.M.*

For a more detailed version of the Conference Report click on the link below:

## **HR 4297 Detailed Summary of Conference Report**

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### **Seven Honda Vehicles Certified for New Energy Tax Credit**

IR-2006-86, June 1, 2006

WASHINGTON — The Internal Revenue Service has acknowledged the certification by American Honda Motor Company, Inc. that several of its vehicles meet the requirements of the Alternative Motor Vehicle Credit as a qualified hybrid motor vehicle. The tax credit for hybrid vehicles applies to vehicles purchased on or after Jan. 1, 2006, and could be as much as \$3,400 for those who purchase the most fuel-efficient vehicles.

The hybrid vehicle certifications recently acknowledged by the IRS and their credit amounts are:

- Honda Civic Hybrid CVT Model Year 2006 \$2,100.00
- Honda Civic Hybrid (SULEV) MT Model Year 2005 \$1,700.00
- Honda Civic Hybrid (SULEV) CVT Model Year 2005 \$1,700.00
- Honda Insight CVT Model Year 2005 \$1,450.00
- Honda Insight CVT Model Year 2006 \$1,450.00
- Honda Accord Hybrid AT Model Year 2006 \$1,300.00\*
- Honda Accord Hybrid AT Model Year 2005 \$650.00

\*2006 Honda Accord Hybrid AT without updated control calibration qualifies for a credit amount of \$650.

Starting in 2006, the tax credit replaces the tax deduction of \$2,000, which was previously allowed for taxpayers who purchased a new hybrid vehicle before Dec. 31, 2005. The tax credit requires a different certification. Many currently available hybrid vehicles may qualify for this new tax credit.

Consumers seeking the credit may want to buy early since the full credit is only available for a limited time. Taxpayers may claim the full amount of the allowable credit up to the end of the first calendar quarter after the quarter in which the manufacturer records its sale of the 60,000th vehicle. For the second and third calendar quarters after the quarter in which the 60,000th vehicle is sold, taxpayers may claim 50 percent of the credit. For the fourth and fifth calendar quarters, taxpayers may claim 25 percent of the credit. No credit is allowed after the fifth quarter.

## **AICPA: CPA Executives Believe Companies Cannot Continue Funding Pensions to Cover Employees' Retirement**

The vast majority of CPAs serving as corporate CEOs, CFOs, controllers and in other executive positions believe American companies cannot continue providing pensions that adequately cover their employees' retirement years, according to the results of a new AICPA survey. Moreover, the survey revealed that many CPA executives believe reductions in pension benefits pose a threat to a company's ability to attract and retain the talent they need to compete.

The AICPA surveyed more than 3,100 of its members in business and industry during the month of April. Of those, 59.5% work for private companies, and 21.4% are employed in public corporations. The remaining respondents are in the not-for-profit and government arenas.

When asked if U.S. companies could continue providing employees with pensions that adequately cover their retirement years, nearly three in four (74%) of the respondents said no. More than half (54%) indicated the erosion of these benefits would hurt recruiting and retention efforts.

A slightly higher number (57%) believe rising healthcare costs are the biggest barrier to a company's ability to offer pension benefits; nearly a third (30%) said the pressures to compete in the marketplace outweighed the pressures to provide retirement benefits. Virtually all the respondents said their companies offer some type of retirement benefit today, with the majority offering a 401(k) plan with matching contributions (65.6%). Less than 5% said their companies offer no retirement plan at all.

*JUNE 2006 • THE CPA LETTER*

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## **Generation X Knows to Take Control of Their Own Retirement**

Members of Generation X by and large understand that Social Security and pensions may evaporate by the time they leave the workforce and instead are looking to themselves to fund their retirement, suggests a recent poll conducted by Harris Interactive for the AICPA.

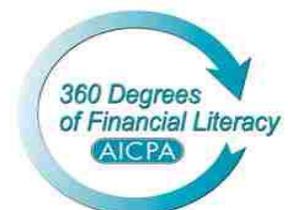
"The message is getting through to Generation X consumers about taking control of their own financial futures," said Carl George, CPA, chair of the AICPA's National CPA Financial Literacy Commission and CEO of Clifton Gunderson LLP. "As a result, they intend to draw on personal savings and investments for retirement, unlike many of their Baby Boomer elders."

More than half the Gen-Xers surveyed (55%) indicated they will rely on savings and investments to carry them through their golden years. Sixty-five percent do not expect Social Security to be a retirement option, and slightly more (68%) do not see pensions as a safety net, either. Generation X represents more than 29 million adults born between 1964 and 1980.

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*Advancing Government Accountability  
Ozarks Chapter of The Association of Government Accountants  
Deb Fraley, CPA, Editor*



*Deadline for articles: Friday-eleven days prior to meeting date*  
*Send articles to: **dfrale@ci.springfield.mo.us***