

HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS 61st Annual State Convention

HILO NANILOA HOTEL, HILO, HAWAII
JUNE 22 - 25, 2016



Welcome
to Hilo and the
61st Annual State Convention of the
Hawaii Association of Public Accountants!

The Big Island Chapter of the Hawaii Association of Public Accountants has worked hard to put together a program with seminars by nationally and state-recognized speakers, a billiards tournament, and convention banquet that thanks the outgoing officers and installs the incoming officers. The convention concludes with an optional tour up the Hamakua Coast and back to Hilo. I hope you have an enjoyable time at the convention.

Aloha,

Eric H. Matsuda, CPA
HAPA State President

HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS
61st Annual State Convention
June 22 – 25, 2016

FRIDAY, JUNE 24, 2016

- 7:30 a.m. Registration; Breakfast Buffet
- 8:00 - 9:45 a.m. Technical Sessions
“Business Tax In Depth & Social Security Update” (Continuation from Thursday’s Session with Joseph Walloch, CPA, CGMA, MBA, MBT)
- 9:45 - 11:45 a.m. **“What to Do When Your Client Passes Away” - Probate Avoidance and Estate and Trust Administration; New Basis Reporting Rules for Beneficiaries of an Estate**
Lecturers: Ray K. Hasegawa, Esq., Hilo, Hawaii
Marilyn M. Niwao, J.D., CPA, CGMA, Niwao & Roberts, CPAs, a P.C., Wailuku, Hawaii
- 11:45 - 1:00 p.m. General Membership Meeting, Part 2; lunch
- 1:00 - 2:45 p.m. Technical Sessions
“Economic Update and State Revenue Trends”
Lecturer: Paul H. Brewbaker, Ph.D., Economist, TZ Economics, Honolulu, Hawaii
- 2:55 - 4:40 p.m. **“State of the State’s Finances—Are Higher Taxes in Sight?”**
Lecturer: State Representative Isaac Choy, CPA
- 6:00 - 10:00 p.m. **61st Annual State Convention Installation Banquet—Crown Room**
Installation of Officers & Directors - Al Giovetti, CPA, ABA, ATA, ARA, NSA First Vice President
Keynote Speaker - Duane K. Kurisu, Real Estate Investor, Manager and Chairman/CEO of **aiō** Holding Company
- 10:00 p.m. Hospitality Room Opens

SATURDAY, JUNE 25, 2016

- 8:00 a.m. - 4:30 p.m. **Optional Saturday Tours Of The Big Islands’ Hamakua Coast and Hilo.**



HOUSE OF REPRESENTATIVES

STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

MESSAGE FROM REPRESENTATIVE ISAAC W. CHOY, CPA

To My Friends, Colleagues and Fellow Members of the Hawaii Association of Public Accountants:

Welcome to the Hawaii Association of Public Accountants 61st Annual State Convention. Hilo is the place where relaxing is a great local past time. I enjoy my trips to Hilo as the size of the island and friendliness among the people is really a step back in time, reminding me of the days gone by. My colleagues from Hawaii Island always remind me; the land of five Oahu's will fit onto Hawaii Island. So it is truly a Big Island.

As we come to our annual gathering, it is always great to see old friends and reminisce of all the HAPA adventures we have shared together. HAPA has made history this past year with HAPA members in key positions in State government. It is really great to have our members participating to help Hawaii become a better place for all of its residents and visitors.

This year, I would like to challenge each of you to take a moment to enjoy the beauty of Hawaii. Make a friend or find a friend, it's these memories that will ultimately be all we need and all we will have.

On behalf of my Hawaii Island colleagues and the entire State House of Representatives, have a great convention, renew old acquaintances, relax and enjoy the Hawaii Island.

Aloha!

A handwritten signature in cursive script that reads "Isaac W. Choy".

Isaac W. Choy, CPA
State Representative
House District 23

Mānoa • Punahou • University • Moiliili
Hawaii State Capitol, Room 404, Honolulu, Hawaii 96813
Phone: (808) 586-8475 • Email: repchoy@capitol.hawaii.gov
Web: www.capitol.hawaii.gov



Marilyn M. Niwao, J.D., CPA, ATA, CGMA
NSA Immediate Past President

Niwao & Roberts, CPAs, a P.C.
2145 Wells Street, Suite 402
Wailuku, Hawaii 96793
Telephone (808) 242-4600, ext. 224
E-mail: mniwao@aol.com

Greetings from NSA!

In August 2015, I completed my term as NSA President after presiding over NSA's 70th Annual Convention in Vancouver, B.C.. The convention was packed with informative seminars, a spectacular Harbor dinner cruise on a yacht, and a banquet with a high energy dance band allowing participants to dance until the wee hours of the morning. During my term as NSA President, I conducted NSA Board and committee meetings, attended other state society conventions, participated in the sale of the old NSA building and lease of new office space, and worked to help practitioners by increasing NSA offerings and member benefits.

One of the initiatives I started was to have NSA develop and promote a "Tax Practitioners' Bill of Rights" which addressed retroactive tax laws, deteriorating IRS service, and undue IRS demands during tax filing seasons, among other matters. Together with other NSA officers, I visited Senator Chuck Grassley, Senator Mazie Hirono, and Senator John Boozman in Washington D.C. in early August 2015, and discussed with them the need to have tax laws passed timely and to help with funding for better IRS service. On behalf of NSA, I also sent letters to all U.S. Senators and U.S. Representatives urging them to address the needs of tax practitioners and taxpayers. It appears our collective voices were heard, because last year's tax laws finally made some tax provisions permanent, rather than temporary with retroactive applications each year. NSA also contacted the IRS, and they were made aware of problems with deteriorating IRS service and are working to reverse the situation. NSA's initiative helped to raise awareness of problems facing tax practitioners to our elected officials and the IRS, and NSA's efforts to promote the "Tax Practitioners' Bill of Rights" continues.

It has been a very rewarding experience serving as NSA president, and I thank HAPA members for supporting and assisting me in NSA elections and during my term as NSA president.

With Warmest Aloha and Mahalo to all of you –

Marilyn M. Niwao

Marilyn M. Niwao, J.D., CPA, ATA, CGMA
NSA Immediate Past President



June 2014

This past year has been a learning and enlightening period for me as the new NSA District XI State Director.

I attended the NSA Vancouver convention which was held during August 2015 and the NSA District IX, X and XI meeting which was held in Denver during September 2015. Being a HAPA member for numerous years, I became used to interacting with our Hawaii colleagues. I didn't realize the importance of being part of a national organization. At the NSA convention and at the NSA district meeting, I met a number of accountants from the other states. I learned a lot about the problems that the other Affiliated State Organizations (ASOs) face that were similar to ours. We discussed the trials to make their organization a better one for the members. Some ideas have been successful and some have not.

The one idea that was prevalent in the discussions was that updating the website and social media was important to keep the members informed and to get the younger members involved.

In 2015, the 2014-2015 ASO survey was completed. The survey provides insight to what other ASOs are doing.

All in all, for my first time being an active part of NSA, it was truly a learning experience. At the meetings, everyone was willing to share what their organization has done and provide you with ideas that have worked for their State.

Thank you for this opportunity.

Colleen Takamura

Colleen Takamura
NSA District XI State Director

**61st ANNUAL STATE CONVENTION
ANNUAL GENERAL MEMBERSHIP MEETING
Thursday, June 23, 2016 and Friday, June 24, 2016
Hilo Naniloa Hotel – Hilo, Hawaii**

AGENDA

1. CALL TO ORDER
2. CALL FOR QUORUM (20 members in good standing in attendance)
3. APOINTMENTS OF:
 - Parliamentarian
 - Sergeant-At-Arms
4. MINUTES OF 60TH ANNUAL GENERAL MEMBERSHIP MEETING.....Sharon S. Ibarra
5. REPORTS OF THE OFFICERS:
 - President..... Eric H. Matsuda
 - Vice President, Hawaii Sandra Silva
 - Vice President, Kauai.....Timothy L. Albao
 - Vice President, Maui Colleen M. Takamura
 - Vice President, Oahu Dick Isoo Oshima
 - Treasurer..... Gary Y. Miyashiro
6. REPORTS OF THE NATIONAL SOCIETY OF ACCOUNTANTS (NSA) OFFICERS:
 - NSA Immediate Past President Marilyn M. Niwao
 - Governor, District XI..... Dick Isoo Oshima
 - State Director, Hawaii Colleen M. Takamura
7. REPORTS OF STANDING COMMITTEES:
 - Membership Laurie M. Choy
 - Legislative Committee.....Marilyn M. Niwao, Brian M. Iwata, John W. Roberts
8. UNFINISHED BUSINESS
9. NEW BUSINESS:
 - By-Law Change
 - Election of HAPA Officers and Directors:
 - Report of the Nominating Committee Marilyn M. Niwao
 - Election of Officers and Directors Sharon Ibarra
 - Installation of Officers and DirectorsAl Giovetti, NSA 1st Vice President
10. STATE DELEGATES TO THE 71st NSA ANNUAL CONVENTION
Every NSA Member Attending is a Delegate.
11. SELECTION OF 2018 HAPA 63rd ANNUAL STATE CONVENTION SITE
12. ANNOUNCEMENTS
13. ADJOURNMENT

**HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS
OFFICERS AND DIRECTORS 2015 – 2016**

President.....	Eric H. Matsuda
Vice President – Hawaii.....	Sandra Silva
Vice President – Kauai.....	Timothy L. Albao
Vice President – Maui.....	Colleen M. Takamura
Vice President – Oahu.....	Dick Isoo Oshima
Secretary	Sharon S. Ibarra
Treasurer	Gary Y. Miyashiro
Director – Hawaii	Ross A. Oue
Director – Hawaii	Nathan A. Colgrove
Director – Maui	Marilyn M. Niwao
Director – Oahu	Isaac W. Choy
Director – NSA Governor.....	Dick Isoo Oshima
Director – NSA State Director.....	Colleen M. Takamura
Director – NSA Immediate Past President.....	Marilyn M. Niwao
Director – NSA Past President.....	Walter T. Y. Lau
Ex-Officio	John W. Roberts

NATIONAL SOCIETY OF ACCOUNTANTS

Immediate Past President.....	Marilyn M. Niwao
Governor, District XI.....	Dick Isoo Oshima
State Director.....	Colleen M. Takamura

2016 CONVENTION COMMITTEE

Chairperson	Sharon S. Ibarra
Master of Ceremonies.....	Gregg M. Taketa
Hotel Arrangements.....	Peter Tadaki
Sponsors.....	Marilyn M. Niwao & Sharon S. Ibarra
Hospitality Suite	Nathan A. Colgrove
Finance & Registration.....	Carolyn Lum-Bellem
Program Booklet.....	Nathan A. Colgrove
Registration Forms.....	Sandra Silva & Carolyn Lum-Bellem
Registration Form Mailings	Carolyn Lum-Bellem
Internet Notices.....	Eric H. Matsuda
Speakers.....	Marilyn M. Niwao
Speaker Materials - Copying.....	Marilyn M. Niwao & Carolyn Lum-Bellem
Continuing Education Certificates.....	Claudia Oshima
Golf Tournaments & Prizes.....	Gregg M. Taketa
Thursday Night Billiards Tournament.....	Jeffrey Girdner & Nathan A. Colgrove
Friday Night Banquet.....	Sharon S. Ibarra
Program & Entertainment	Marilyn M. Niwao & Sharon S. Ibarra
Saturday Tours	Carolyn Lum-Bellem & Sharon S. Ibarra

HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

PAST PRESIDENTS

1943 – 1944.....	Howard Polakow
1944 – 1945.....	James R. Hara
1945 – 1946.....	William H. Plate
1946 – 1947.....	Herman G.P. Lemke
1947 – 1948.....	Paul B. Leong
1948 – 1949.....	Richard B. Goeas
1949 – 1950.....	Allen S. Sonoda
1950 – 1951.....	Howard K. Yoshino
1951 – 1952.....	Katsuto Nagaue
1952 – 1953.....	Michael M. Tokunaga *
1953 – 1954.....	Ah Chan Jim
1954 – 1955.....	Harry S. Shiroma
1955 – 1957.....	Shigeo Matsuura
1957 – 1958.....	Robert S. Okuma *
1958 – 1959.....	George F. Ikeno
1959 – 1960.....	Seiji Mizukami
1960 – 1961.....	Shoichi Okumoto *
1961 – 1962.....	Tad T. Uyehara
1962 – 1963.....	Francis Motooka *
1963 – 1964.....	Harry H. Ueki
1964 – 1965.....	Raymond Kashiwada
1965 – 1966.....	Tom T. Kato *
1966 – 1967.....	Herbert H. Masunaga
1967 – 1968.....	Rudolph C. Cockett
1968 – 1969.....	Thomas H. Shiroma
1969 – 1970.....	David K.Y. Yee *
1970 – 1971.....	Koki Akimoto
1971 – 1972.....	Edmund Lau
1972 – 1973.....	Yoshiko T. Sato
1973 – 1974.....	Clifford M. Nishina *
1974 – 1975.....	Haruto Tanabe *
1975 – 1976.....	Y.F. Choy
1976 – 1977.....	Tad Aono
1977 – 1978.....	Albert H. Yuen
1978 – 1979.....	Mitsutada Nakayama
1979 – 1980.....	Edmund Yin
1980 – 1981.....	Jo N. Okazaki
1981 – 1982.....	Ernest Chang-Tung
1982 – 1983.....	Walter T.Y. Lau*+
1983 – 1985.....	Raymond A.C. Nip *
1985 – 1986.....	Tom T. Kato *
1986 – 1987.....	Gilbert J. Matsumoto *

*Past or Present NSA Governor, District XI
+Past or Present NSA President

HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

PAST PRESIDENTS (Continued)

1987 – 1990.....	Robert H. Fukuhara, Jr.*+
1990 – 1992.....	Terence B. Enriques
1992 – 1993.....	Darryl T. Komo
1993 – 1995.....	A. Russell Ing
1995 – 1996.....	Lynne T. Nakama
1996 – 1998.....	June Y. Aono
1998 – 2002.....	Marilyn M. Niwao *
2002 – 2003.....	James C.L.Moo *
2003 – 2006.....	Isaac W. Choy
2006 – 2009.....	Gregg M. Taketa
2009 – 2014.....	John W. Roberts
2014 – 2016.....	Eric H. Matsuda

*Past or Present NSA Governor, District XI
+Past or Present NSA President



An advertisement for Green Point Nurseries. The top part features the company logo, which includes a stylized green plant icon and the text "GREEN POINT NURSERIES". To the right is a circular seal that says "HAWAII SEAL OF QUALITY". Below the logo, it reads "Hawaii's Premier Producer Exporter of Anthurium, Tropical Flowers and Foliage". The middle part of the ad shows three men smiling in front of a background of pink and red flowers. The bottom part is a green box with white text that says "Aloha and Welcome to the Attendees of the 61st Annual HAPA State Convention!". At the very bottom, there is contact information: "www.greenpointnursery.com gpn@greenpointnursery.com phone 808-959-3535 toll free 800-717-4456 fax 808-959-7780 PO Box 4400 Hilo, Hawaii 96720".

HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS
60th Annual Membership Meeting
June 12 - 13, 2015

On Thursday, June 12, 2015 at 12:12 p.m., President Eric Matsuda called the meeting to order at the Golden Nugget Hotel, Las Vegas, Nevada.

ATTENDANCE

In accordance with Article V, section 4 of the Constitution which requires 20 members in good standing to establish a quorum, Secretary Sharon Ibarra verified the existence of such a quorum.

PARLIAMENTARIAN

President Matsuda appointed Isaac Choy to serve as Parliamentarian.

SERGEANT-AT-ARMS

President Matsuda appointed Gilbert Matsumoto to serve as the Sergeant-at-Arms.

SECRETARY'S REPORT

Minutes of the 59th Annual Membership meeting as prepared by Secretary Ibarra were printed in the general membership program. It was moved, seconded and unanimously approved to accept the minutes.

REPORTS OF THE OFFICERS

President Matsuda and each of the four Vice Presidents submitted written reports, which were printed in the general membership program. A copy of each report is contained in the Secretary's file.

TREASURER'S REPORT

The Treasurer's report was printed in the general membership program. On motion duly made, seconded and unanimously approved, the Treasurer's report was accepted, subject to audit.

REPORTS OF THE NSA OFFICERS

NSA President Marilyn Niwao submitted a written report which was printed in the general membership program. NSA 70th Annual Convention will be held at the Hyatt Regency in Vancouver, BC from August 19 to 22, 2015.

NSA District XI Governor Brian Iwata submitted a written report which was printed in the general membership program.

NSA State Director Dick Oshima submitted a written report which was printed in the general membership program.

REPORTS OF COMMITTEES

The following committee reports were included in the general membership meeting program and are contained in the Secretary's file:

1. Membership – Chairperson, Laurie Choy
2. Legislative Committee – Co-Chairpersons, Marilyn Niwao, Brian Iwata and John Roberts.

UNFINISHED BUSINESS

None

HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS
60th Annual Membership Meeting
June 12 - 13, 2015

NEW BUSINESS

A. Proposed Bylaw amendment - These are the changes proposed for the bylaws: Section 1(h) - add "for" after Director. Section 1(i) - add "or Past NSA President from Hawaii" after NSA President. Section 3 - add at the beginning "Except for the NSA Governor District XI, NSA State Director for Hawaii, and NSA President or Past Presidents from Hawaii who are members of this Association,". On motion duly made, seconded and unanimously approved, the membership approved the proposed bylaw amendments. The bylaw change clarified that Past NSA Presidents from Hawaii are members of the HAPA Board, if confirmed annually by the vote of the current Board of Directors.

ELECTION OF OFFICERS AND DIRECTORS

Nominating Committee Chairperson, Marilyn Niwao, presented a recommended slate of officers and directors for the year 2015/2016:

President	Eric Matsuda	Director-Oahu	Isaac Choy
Vice President-Oahu	Dick Oshima	Director-Hawaii	Nathan Colgrove
Vice President-Hawaii	Sandra Silva	Director-Maui	Marilyn Niwao
Vice President-Maui	Colleen Takamura	Director-Kauai/West Hi	Ross Oue
Vice President-Kauai	Timothy Albao		
Secretary	Sharon Ibarra		
Treasurer	Gary Miyashiro		

The Nominating Committee reported that the slate of officers was posted as required. President Matsuda called for any further nominations from the floor for all of the above positions. On motion duly made, seconded and unanimously approved, the nominations to all of the above positions were closed. President Matsuda then instructed Secretary Sharon Ibarra to cast a unanimous ballot for each of the nominees.

ENDORSEMENT FOR DISTRICT XI GOVERNOR

On motion duly made, seconded and unanimously approved, the membership endorsed and recommended Dick Oshima to be presented for nomination at the NSA national convention to serve as Governor for District XI for two years.

STATE DELEGATES TO THE 70th NSA ANNUAL CONVENTION

President Matsuda announced that anyone attending is a delegate. The convention will be held at Hyatt Regency in Vancouver, BC in August 2015.

SELECTION OF 2017 HAPA ANNUAL STATE CONVENTION HOST CHAPTER

The Kauai Chapter graciously volunteered to host the 2017 62nd annual state convention. Next year's convention will be hosted by the Big Island Chapter in June, 2016.

ANNOUNCEMENTS

None.

There being no further business to come before the general membership meeting, on motion duly made, seconded and unanimously approved, the meeting was adjourned at 12:45 p.m.

Respectfully submitted,

Sharon Ibarra

Sharon Ibarra
Secretary



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943
P.O. BOX 61043
HONOLULU, HAWAII 96839



STATE PRESIDENT'S REPORT 2015 – 2016

This past year went by quite quickly. It was not as hectic as the previous year, when we were fighting against the “no notice, no fee” CPA mobility bill in the State legislature. This bill was not brought back to the legislature this year. This was due in part to the hard work that was done by the legislative committee and Representative Isaac Choy, the previous legislative session. However, I don’t think that this issue is over yet.

The State Board of Public Accountancy has four HAPA members on it. Gregg Taketa, Darryl Komo, John Roberts and Gary Miyashiro are volunteering their time to serve on the board. These members are looking out for the best interest of the CPAs in the State of Hawaii.

On a sadder note, HAPA and the Big Island Chapter has lost one of it’s most active members. Ross Oue lost his battle with cancer last September. He served on the HAPA State Board for many years as the Director from Kona-Kauai. Every time I attended a State convention on the Big Island, I knew that Ross was manning the hospitality suite. The room was always filled with ice-cold drinks and food (especially his big bag of macadamia nuts). We will truly miss Ross.

Finally, I thank you for the opportunity to serve you as your president for the past two years. I couldn’t have done this without the help of all the other board members and the committee chairpersons.

Sincerely,

Eric H. Matsuda

Eric H. Matsuda, CPA
HAPA State President



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943
P.O. BOX 61043
HONOLULU, HAWAII 96839



OAHU CHAPTER ANNUAL REPORT 2015 – 2016

Aloha HAPA Members,

Welcome to our HAPA Annual Convention on the Big Island of Hawaii. I look forward to renewing old friendships and making new ones at these conventions and spending a few days together since the last convention a year ago. I'm sure the Hilo Folks will be extending their awesome hospitality again for all our enjoyment.

Our 2015-2016 fiscal year was again, an eventful one. In addition to our continuing CPE presentations in September, October, November and January, in October 2015 we held our annual Student Night, spearheaded by Darryl Komo and his committee, which was attended by approximately 200 students looking to interact with us accounting and tax professionals. Our Scholarship Committee headed by our able Jeff Lee again awarded a handful of scholarships during that evening.

In January, we had our networking get together with members of NAIFA (National Association of Insurance and Financial Advisors) with the objective of achieving cross business referrals for business enhancement and in addition, the possibility of recruiting associate memberships for educational and social benefits. We hope to schedule more of these networking get-togethers in the near future.

In February, we hosted a Valentine's Day Dinner for all officers and committee members and their spouses at Ruth's Chris' Steak House. Do I need to say... "Everyone loved it!!!"

Our year end installation banquet is scheduled for June 9, 2016 at the Hawaii Prince Hotel just outside of Waikiki.

Sincerely,

A handwritten signature in black ink, appearing to read "Dick Oshima".

Dick Oshima
June 2016



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943
P.O. BOX 61043
HONOLULU, HAWAII 96839



MAUI CHAPTER ANNUAL REPORT 2015 – 2016

The Maui Chapter was busy with business meetings, seminars, and a Christmas party.

This year, in addition to the regular scheduled seminars, the Maui Chapter held a professional liability seminar with Shelton Jim On, non-profit seminar with Paul Koehler and an ethics seminar with Isaac Choy.

For 2015-2016 academic year, there were two recipients of the Leighton K. Matsuyama Memorial Scholarship. Congratulations to Dyana J. Caselman who is studying business technology and Mary Ann Cachola DeGuzman, who is a liberal arts major with an emphasis on business. Both are students at the University of Hawaii, Maui College.

Congratulations to Lynette Yamamoto, who was chosen as Maui Chapter's outstanding members for this fiscal year! Lynette is a director for the Maui Chapter and has been a long time member of HAPA. Lynette has been instrumental in getting the various events done for HAPA. Lynette, we appreciate your efforts for the Maui Chapter and HAPA as a whole.

Also, thank you to my fellow officers (Robert Kawahara, Vice-President; Marilyn M. Niwao, treasurer; Mindy Fusato, recording secretary; and Randall Taniguchi, corresponding secretary), directors (Shaun Thayer, Ross Fusato, Alvin Imada and Lynette Yamamoto), and committee chairmen (John W. Roberts, Legislative Chair) for your assistance in making this past year a very successful one!

Respectfully submitted,

Colleen Takamura

Maui Chapter President



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943
P.O. BOX 61043
HONOLULU, HAWAII 96839



BIG ISLAND CHAPTER ANNUAL REPORT 2015 - 2016

Aloha,

It has been a busy year for the Big Island Chapter. In addition to all of the regular CPE events, we have all been very busy planning the 61st Annual State Convention. Sharon Ibarra, Carolyn Lum-Bellem, Gregg Taketa, Peter Tadaki, Nathan Colgrove, Jeff Girdner and Marilyn Niwao Roberts, have all worked very hard to plan a great event, with lots of relevant and interesting CPE. They have also planned some great outings which we hope you enjoy.

Our club suffered a very sad loss this year. Our beloved Ross Oue lost his battle with cancer this last year. Ross was a valued and treasured member of the Big Island Chapter. He will be sorely missed, especially on the West Side where he was always involved in planning the social events.

Respectfully yours,

Sandra Silva

Sandra Silva, CPA
Big Island Chapter President



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943
P.O. BOX 61043
HONOLULU, HAWAII 96839



KAUAI CHAPTER ANNUAL REPORT 2015 – 2016

HAPA Members:

Congratulations to Kauai Chapter's Ann Kennedy for earning the 2016 Board of Regents Excellence in Teaching Award. Ann, besides teaching, is Kauai Community College's accounting program coordinator. The award recognizes faculty who exhibit an extraordinary level of subject mastery and scholarship, teaching effectiveness and creativity, and personal values beneficial to students.

At the commencement ceremony for Kauai Community College, the HAPA Kauai Chapter's accounting award for educational excellence was awarded to Rory Agosto who obtained an Associate in Applied Science Degree, Accounting. According to the Chairperson of the Business Education Division, Rory is an industrious and highly competent student who is committed toward educational excellence.

Next year's convention will return to Kauai. Nobody seems to remember the last time it was held on Kauai but it must be over 20 years ago.

Respectfully submitted,

Timothy L. Albao

Timothy L. Albao
Kauai Chapter President



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943
P.O. BOX 61043
HONOLULU, HAWAII 96839



ANNUAL MEMBERSHIP REPORT

Laurie M. Choy, Membership Chairman

New Members

The Membership Committee has submitted for Board approval 13 membership applications for the fiscal year ending June 30, 2016.

	<u>Regular/ Associate</u>	<u>Young Accountants</u>	<u>Students</u>	<u>Total</u>
Hawaii	2	-	-	2
Kauai	-	-	-	0
Maui	5	2	-	7
Oahu	<u>3</u>	=	<u>1</u>	<u>4</u>
	<u>10</u>	<u>2</u>	<u>1</u>	<u>13</u>

Membership Drive Incentive Award

For the current year, the State Board is happy to honor Marilyn Niwao for sponsoring four new members.



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943
P.O. BOX 61043
HONOLULU, HAWAII 96839



HAPA Legislative Committee Report 2015 - 2016

In late 2015, the HSCPA was working again on a bill for “No Notice, No Fees” CPA mobility for the 2016 legislative session. After strong objections voiced by HAPA, the Pacific Business News concluded that CPA mobility bills were unlikely to gain traction because of HAPA’s disagreement with HSCPA’s position. HAPA provided three main reasons as to why it is against the “no notice, no fees” CPA mobility bills proposed by the HSCPA: 1) loss of Hawaii jobs, 2) loss of taxes, and 3) lack of consumer protection.

For jobs, HAPA’s position is that when many local graduates are forced to move to the mainland to find meaningful work, we should not accelerate the problem by exporting jobs out of state. With regard to taxes, a HAPA study revealed that approximately 70% of out-of-state CPA firms of out-of-state practitioners who received temporary permits to practice did not pay the Hawaii General Excise Tax. Finally, HAPA pointed out that the “no notice, no fees” CPA mobility legislation is dangerous for Hawaii consumers because enforcement action against CPAs based outside of Hawaii is cost prohibitive for Hawaii’s state government and residents.

In the 2016 legislative session, proposed amendments were made to the peer review law in HB1669, HD2, SD1 that were approved by the Hawaii Board of Public Accountancy in conjunction with its setting up rules and procedures for administering mandatory peer review in Hawaii. The amendments included provisions allowing peer review oversight committee members to be reimbursed for travel and other expenses that are incurred in the performance of their duties, and these committee members would also not be civilly liable for actions taken in furtherance of the purposes for which the peer review oversight committee was established. In addition, “Hawaii attest work” was defined to include work for any of the following clients: 1) an individual who is a resident of Hawaii, 2) a person, entity, firm, or trust that is domiciled in Hawaii or whose principal or home office is physically located in Hawaii, or 3) a subsidiary that has a physical presence in Hawaii and has a separate, stand-alone financial statement or report issued on the subsidiary.

The peer review amendments in HB1669, HD2, SD1 also allows reviews to be done by out-of-state licensees and extends the deadline for filing of peer review compliance reporting forms and appealing certain ratings from 10 to 30 calendar days. Currently HB1669, HD2, SD1 is awaiting signature from the Governor to become law.

HAPA thanks Rep. Isaac W. Choy for introducing the peer review bill and for monitoring changes. HAPA also thanks HAPA members on the Board of Public Accountancy for their involvement and oversight of the peer review legislation.

Respectfully submitted,

Marilyn M. Niwao and Brian M. Iwata

Marilyn M. Niwao, J.D., CPA, CGMA and Brian M. Iwata, CPA
HAPA Legislative Committee Chairpersons



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943
P.O. BOX 61043
HONOLULU, HAWAII 96839



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS SCHOLARSHIP FUND REPORT FOR THE PERIOD FROM JULY 1, 2015 TO JUNE 30, 2016

The Hawaii Association of Public Accountants Scholarship Fund awarded the following Scholarships during the year:

HAWAII CHAPTER

Lorena Dela Cruz
Jennifer Taniguchi
Jubylen Teehee
Aaron Zackoski

MAUI CHAPTER

Dyana Caselman
Mary Ann DeGuzman

OAHU CHAPTER

Hideo Kiyotani
Xinmei Liang
Mao Miyashita
Arin Nakahara

The Hawaii Association of Public Accountants Oahu Chapter Endowed Scholarship awarded its scholarship to:

Ngan Nguyen

In addition the Oahu Chapter funded the following awards:

UNIVERSITY OF HAWAII - MANOA

Jessica Lee - Special Senior in Accounting Award
Royce Yamamoto -Special Senior in Accounting Award

In total more than \$ 10,000.00 in Scholarships and Awards were given out from the Scholarship and Endowment Fund during the year. **Thank you HAPA members for your generous donations and support.**

Necelyn Cabalce, CPA

Outstanding Member Big Island Chapter

The Big Island Chapter's outstanding member this year is Necelyn Cabalce. Necelyn has been on the executive board since joining HAPA and has been an active member by attending numerous event over the years. She is a senior financial services specialist with the tax, accounting and business consulting firm of Taketa, Iwata, Hara & Associates, LLC and has been with the firm since June 2012. Originally from the Big Island, Necelyn graduated from Loyola Marymount University with a Bachelor's Degree in Accounting. Before joining Taketa, Iwata, Hara & Associates, she worked as a summer intern and later became a full-time employee at a medium size California regional firm for 4 years. Necelyn is a certified public accountant in both California and Hawaii. This year, Necelyn will move from Treasurer to Vice President for our chapter.

Necelyn Cabalce is our Outstanding Member for the Big Island Chapter of HAPA.



Yi Chen

Outstanding Member Oahu Chapter

The Oahu Chapter of the Hawaii Association of Public Accountants (HAPA) has selected Yi Chen as its outstanding member. Yi graduated from Kaimuki High School and the University of Hawaii at Manoa with a Bachelor of Business Administration in Accounting and Marketing. She has previous experience in public accounting and is currently in Internal Audit at the Department of Education (DOE). She is a member of the Institute of Internal Auditors (IIA), Association of Certified Fraud Examiners (ACFE), and Hawaii Association of Public Accountants (HAPA). In her spare time, she likes to cook and travel.



**Lynette Yamamoto, CPA
(Not in Public Accounting)**

**Outstanding Member
Maui Chapter**

Lynette earned a Bachelor of Arts in Mathematics from the University of Hawaii at Manoa, and completed her accounting course work at the University of Hawaii – Hilo. Previously employed by accounting firms on Oahu, Maui and the Big Island, she is currently employed by a large academic institution in support of accounting and business management on research and development contracts.

Lynette enjoys road trips with her husband, Lester, and hanging out with their family and friends, and “so loves shopping for the Maui Chapter’s annual Holiday Celebration with her elf buddies”.

Convention Speakers



Joseph W. Walloch, CPA, CGMA, MBA, MBT, Walloch Corp., San Diego, California, Speaking for Jennings Seminars/TaxSpeaker.com

Joseph W. Walloch, CPA, CGMA, MBA, MBT speaks nationally and internationally, presenting continuing education classes to thousands of tax professionals all over the USA and in six countries including the Peoples Republic of China. A prolific author who has published hundreds of tax articles including the Journal of Accountancy and the AICPA Tax Advisor. Joe is a very actively practicing tax professional consulting on tax issues throughout the USA. Joe is known for his energetic teaching style highlighted by real-life practical examples. Married to Mary Anna and father of two sons - Jeff, a Professional Computer Specialist and Photographer and Greg, a Professional actor, Joe has been named one of "50 Top Tax Professionals in America" by CPA Magazine.



William H. Atha II, Senior Vice President, Family Wealth Director, Morgan Stanley, Honolulu, Hawaii

William Atha joined Morgan Stanley Wealth Management as a Senior Vice President and Family Wealth Director in 2012. Mr. Atha is responsible for complex financial planning, Family Dynamics and Governance, multi-generational Wealth planning, estate planning, Executive Compensation management, Business succession and monetization strategies, Asset Management for liquid and illiquid assets, risk management and wealth management strategies for high net worth individuals and non-profits in the Southwest US and Hawaii. A relationship with a Family Wealth Director also includes access to LifeStyle solutions including Jets, Yachts, Real Estate, Art Valuation and management as well as access to Pinnacle Care health management consultants.

Mr. Atha worked for Bernstein Global Wealth Management for 10 years as a Principal, and Senior Investment Advisor. Previously, Mr. Atha worked as a Commercial Real Estate Broker for 16 years, last as a Senior Vice

President and Corporate Account Manager in the Office Leasing Division of Grubb and Ellis Co. Mr. Atha worked 6 years with Arco International Oil and Gas Company (British Petroleum) as Assistant Controller of Arco Indonesia and Arco China and was based in Jakarta, Indonesia for 4 years.

William Atha is a Bachelor of Science of Business Administration from the University of Southern California and is a Master of Business Administration from Pepperdine University. He is a mentor to the Graziadio School of Business at Pepperdine, and a frequent lecturer at the Chaminade Hawaii Tax Institute, the Hawaii Association of Public Accountants, The Hawaii Estate Planning Council, the Hawaii Society of CPAs, the Hawaii Planned Giving Council, the Salt Lake Estate Planning Council and the Society of Trust and Estate Practitioners (STEP)-Wyoming. Mr. Atha is a member of the Association of Professional Institutional Consultants (APIC).



Ray K. Hasegawa, Esq., Hilo, Hawaii

Raymond K. Hasegawa is an attorney who has practiced in Hilo, Hawaii for 42 years, concentrating in the areas of estate planning, probate, trust administration, elder law, real estate and business law. He started with Carlsmith, Carlsmith, Wichman and Case in 1974 and transitioned to his own practice in 1983. He is a member of the Real Property Section, Elder Law Section and Probate Section of the Hawaii State Bar Association.

Mr. Hasegawa is active with the Big Island Estate Planning Council, Aloha Exchange Club of East Hawaii, the United States Tennis Association Hawaii Pacific Section and East Hawaii District Tennis Association. He has served on the Board of Directors of Hospice of Hilo and Hawaii Island Adult Day Care, Inc., the Hawaii Island United Way's Planned Giving Committee, Advisory Board for the Hawaii Island YWCA, and Advisory Committee for Hawaii Island Veterans' Memorial, Inc. He is a volunteer for

the Court Annexed Arbitration Program and the Self-Help Legal Center. He has been a hearings officer for the Office of Disciplinary Counsel in formal disciplinary proceedings and reinstatement proceedings.

Mr. Hasegawa earned his B.S. (cum laude) in Business Finance from the University of Southern California in 1971 and his J.D. degree from the Georgetown University Law Center in 1974.



Marilyn M. Niwao, J.D., CPA, CGMA, Niwao & Roberts, CPAs, a P.C., Wailuku, Hawaii

Born and raised in Hilo, Hawaii, Marilyn M. Niwao, M.S.P.H., J.D., CPA, CGMA, ATA is a Hawaii CPA and attorney and is president of Niwao & Roberts, CPAs, a P.C., a Maui CPA firm located in Wailuku, Hawaii. She has over 37 years of public accounting experience, and was formerly manager-in-charge of the Maui Office tax department of Deloitte, Haskins & Sells (currently Deloitte & Touche), and a tax specialist with Coopers & Lybrand (currently PricewaterhouseCoopers) in Honolulu.

In addition to tax compliance and financial statement work, Marilyn has a wide range of consulting experience on complex tax and accounting matters for individuals and businesses, including working on international tax and transfer pricing matters, and representing clients before the IRS.

She has also had extensive experience performing litigation support work as expert witness in both federal and state cases, and has qualified as an expert witness and served as a Master in the Second Circuit Court on Maui. She has also served as a U.S. Bankruptcy examiner.

Marilyn is the Immediate Past President and serves on the Board of the National Society of Accountants (NSA). She has also been involved with NSA as a past First and Second Vice President, Governor of District XI, and as a past NSA State Director. She also currently serves as a State Director of the Hawaii Association of Public Accountants (HAPA) and has held various HAPA officer and committee positions, including as past State President of HAPA, over the years.

Marilyn currently serves as Vice-chair of the Council on Revenues (COR) for the State of Hawaii and has served on the COR from July 2011. The COR prepares State of Hawaii revenue forecasts for the Governor and State Legislature for use in the State's budget. Marilyn was also a former Commissioner of the Hawaii Tax Review Commission.

Before earning her law degree (J.D.) from the University of Michigan Law School in Ann Arbor, Michigan, Marilyn obtained her Master of Science in Public Health (Biostatistics) degree from the University of Washington, and her Bachelor of Science (Mathematics) degree from the University of Washington in Seattle. She also took post-graduate courses in accounting at the University of Hawaii, Manoa.



Paul H. Brewbaker, Ph.D., Economist, TZ Economics, Honolulu, Hawaii

Paul H. Brewbaker is the principal of TZ Economics, a Hawaii consultancy. His background is in research on the Hawaii economy and financial risk analytics from a 25 plus year affiliation with Bank of Hawaii.

Brewbaker is a graduate of Stanford University and received his Ph.D. in economics from the University of Hawaii. He also did graduate work at the University of Wisconsin, where he taught at Madison and Milwaukee, and is a lecturer in the University of Hawaii system.

He is a member of the American Economic Association, the American Finance Association, and the National Association for Business Economics, and is a director of the Hawaii Economic Association. Brewbaker currently chairs the Hawaii Council on Revenues.



Isaac W. Choy, CPA, Hawaii State Representative, Manoa, Hawaii

State Representative Isaac W. Choy, CPA is the only CPA in the Hawaii State Legislature. Prior to running for office, he was heavily involved with HAPA's legislative activities. He is a past HAPA state president and HAPA state treasurer.

At the legislature, Representative Choy currently serves as Chair of the House Committee on Higher Education and is a member of the Committees on Agriculture; Economic Development and Business; Education; Tourism; Veterans, Military, and International Affairs & Culture and the Arts. In 2013, Representative Choy was selected as a Council of State Governments' Henry Toll Fellow.

Representative Choy is a principal and founder of Manoa Consulting Group, LLC, CPAs (formerly Isaac W. Choy, CPA, Inc.) from 1983 – 2010. He also served for many years as a peer reviewer and is a

frequent lecturer for HAPA and other accounting organizations on tax and accounting matters, peer review, and ethics.

Representative Choy is also a Chartered Life Underwriter (CLU) and graduated from San Jose State University with a BS Business Administration degree.

He is married to Laurie M. Choy.

Convention Banquet Keynote Speaker



Duane K. Kurisu, Real Estate Investor, Manager, Chairman and CEO of aio Holding Company

Duane K. Kurisu is a real estate investor and owns and manages office buildings, shopping centers and industrial parks.

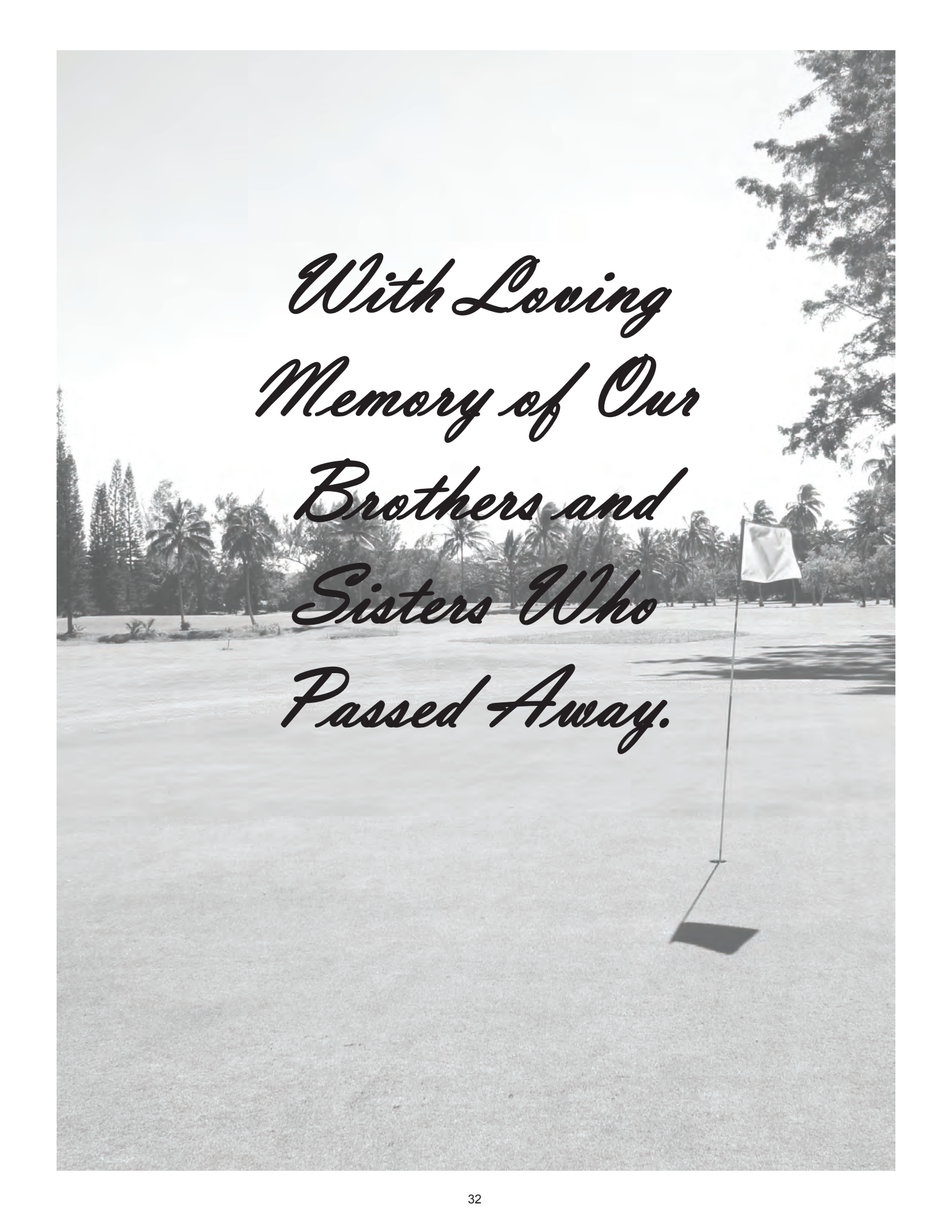
He is also the Chairman and CEO of aio, a holding company for businesses with brands focused on Hawaii and the Pacific in the areas of media, technology, sports and food. Aio's companies include a media group comprised of Watermark Publishing, Obun Hawaii, and PacificBasin Communications, publisher of several magazines including Honolulu, Hawaii Business and others; a technology group comprised of Moment Networks, Upspring Media, and Frolic Hawaii; a sports group

comprised of KKEA ESPN1420 AM, KHKA 1500 AM, B. Hayman Co., and Hawaii Winter Baseball; and a food group comprised of Brio, Punaluu Bake Shop, Pagoda Floating Restaurant, and Hukilau Restaurants.

Duane is also a minority owner of Oahu Publications (Honolulu Star Advertiser and Midweek) and a minority owner of the San Francisco Giants Baseball Club.

Duane is on the board of directors of Central Pacific Bank, Island Holdings, Tradewind Capital Group, Oahu Publications, Nippon Golden Network, Waterhouse Properties, R.E.A.C.H., Downtown Athletic Club of Honolulu, Grand Slam Club and currently serves as the Chairman of the Emeritus Regents of the University of Hawaii.





*With Loving
Memory of Our
Brothers and
Sisters Who
Passed Away.*



Morgan Stanley is proud to sponsor
Hawaii Association of Public Accountants

William Atha

Senior Vice President

Wealth Advisor

733 Bishop Street, Suite 2800

Honolulu, HI 96813

808-525-6075

william.atha@morganstanley.com

Morgan Stanley

MAHALO

The Hawaii Association of Public Accountants would like to thank the following individuals and organizations for their contributions, help, and participation at our 61st Annual State Convention:

Major Sponsors



Morgan Stanley

Bank of Hawaii

Advertisers

Green Point Nurseries

Gifts & Prizes

Atebara/Hawaii Island Gourmet

Big Island Candies

Clifton Tsuji

Royal Hawaiian Macadamia Nut, Inc.

Hamakua Mushrooms

Hawaiian Springs Water

KTA Superstores

And to the Speakers, the Big Island Chapter Convention Committee, Hilo Naniloa Hotel, and Convention Attendees.