



HONOLULU CHAPTER



2018
GOLF TOURNAMENT



SEMINAR:
FASB STANDARDS

Aloha

CMFA Members



I want to thank all of you for the support, participation and contributions over the last two years while I served as CFMA Honolulu Chapter President. I look forward to supporting the incoming board.

Ryan Nobriga



On behalf of the members of Honolulu Chapter of CFMA, we would like to thank you for your outstanding leadership as our president over the past two years. We do very much appreciate you volunteering your time and effort in guiding our chapter while working full-time at your 'real' job at Hawaiian Dredging and taking care of your home life. Your dedication and service to our chapter will not be forgotten.



2018
**GOLF
TOURNAMENT**



The CFMA 2018 Golf Tournament was held on October 25, 2018 at the Waialeale Golf Course. We would like to give a big mahalo to our tournament sponsors: King & Neel, Inc., Zurich and Travelers Insurance. Thanks to their generous support we were able to provide 48 golfers with a bento lunch, liquid refreshments before, during and after the round, followed by delicious pupus at the Clubhouse. Everyone went home with an armful of goodies thanks to American Savings Bank, Bank of Hawaii, Zelinski & Company, Oahu Plumbing & Sheetmetal, HonBlue, HC&D, GracePacific, Proam Golf, and Hawaiian Dredging and Construction Company.

First place went to Dan Gick and Tricia Miyashiro of Atlas Insurance and Chris West and Scott Gilliland of Travelers Insurance. In addition to their prizes they also took home a Sandbaggers bag of sand. Taking home the biggest total prize (3 gift cards to Morton's) was Schyler Murakami of Accounting Management for Closest to the Pin Marker at holes 5, 11 and 17. Dan Oshima took the other Closest to the Pin Market at hole 8. The Accurate Drive at hole 7 Women was won by Danielle Schaffer of Road Safety Services with the Men won by Gerald Shintaku of Takeuchi Insurance. Winning in the Longest Drive #15 Women was won by Julie Miyagi of Road Safety Services and Men was won by Dylan Nakano of Atlas Insurance.





A big thank you to everyone who
came out for this fun event!
See you next year!





Kapiolani Residence



Thank you to Hawaiian Dredging Construction Company for hosting us on a job site tour of the Kapiolani Residence condo tower on November 28th. The 45-story residential tower consists of 485 units with a mix of studios, one, two, and three-bedroom units along with a stand alone nine story parking structure.



New Accounting Rules for Lease Accounting and Cash Flow Reporting

On December 11, 2018, CFMA sponsored a presentation about the new Lease Accounting and Cash Flow rules by Lynnsey Okada, Sr. Manager with Deloitte & Touche.

The new lease accounting rules are effective for public companies with fiscal years beginning on January 1, 2019 and to other companies with fiscal years beginning on January 1, 2020. Early adoption is permitted. For Lessees, most leases will show up on the balance sheet even if they are operating leases and classification will drive the expense profile. For Lessors, most changes result from aligning to the Revenue Recognition rules. An optional transition method is available where an entity may elect not to present 2 years of comparative financial statements and to adopt the standard using a cumulative catch-up approach.

A Lessee's assets and liabilities may increase regardless if the lease is an operating or financing lease. Ratios such as debt ratios, current ratios, working capital

requirements, etc. may have to be renegotiated before the new rules applies to you.

DEFINITION OF A LEASE

A contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. To be a lease, the contract (1) depends upon the use of an identified asset, and (2) convey the right to control the use by both obtaining substantially all of the economic benefits from the asset use and to direct the use of the asset throughout the period of use.

An identified asset could be part of a larger asset, it might not be specifically identified, and there are warranty or upgrade or right of substitution clauses that affects whether there is an identified asset. For example, your facilities lease has components such as CAM, utilities, cleaning services, RPT, and insurance that may or may not be a lease component. The identified lease components affect the values placed on your balance sheet.



Lease terms may include noncancelable period, plus renewal options, termination options, options to extend. As a lessee, there are requirements to reassess the lease term upon events, modifications, obligations. For Lessors, they would not be required to reassess unless there is a modification that does not result in a separate contract.

The FASB has been working on this new standard for almost a decade and it is recommended that you review ASU 2016-02 and determine how it affects your company or clients as a Lessee or Lessor.

CASH FLOW

On August 26, 2016, the FASB issued ASU 2016-15, which amends ASC 2302 to add or clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows. The FASB issued the ASU with the intent of reducing diversity in practice with

respect to certain types of cash flows: debt prepayment and extinguishment costs, settlement of zero-coupon bonds, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned and bank-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions, and the application of the predominance principle. In November 2016, the FASB issued ASU 2016-18, which requires that an entity include amounts that are deemed to be restricted cash and restricted cash equivalents in its cash and cash-equivalent balances in the statement of cash flows. The guidance under both ASU 2016-15 and 2016-18 is in effect for public entities; and for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 for all other entities.



Chapter Meeting & Pau Hana



On February 27, 2019, with twenty-seven members in attendance, we held our Chapter Meeting at Aloha Beer Co. Brewery & Pub (2nd floor room) located in Kakaako. With President Ryan Nobriga presiding over the meeting, it was a very interactive session. Ryan shared plans for upcoming events, educational sessions, etc. with the members present and members took the opportunity to express their opinions and suggestions in respect to the future direction of the chapter. The Board of Directors of our chapter are truly appreciative for the members who were able to attend this chapter meeting and for the feedback and suggestions received during the meeting. After the meeting, members and guests were invited to stay for the Pau Hana gathering downstairs. It was a time to unwind and relax over a few drinks, good food, and great company!

Mahalo

to our sponsors



THE CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION, HONOLULU CHAPTER

President: Ryan Nobriga
Treasurer: Craig Yamasaki
Secretary: Thalia Choy

Hawaiian Dredging
 Coastal Construction Co. Inc.
 Genba Hawaii Inc.

Directors: Eddy Conway
 Paul Kennedy
 Kent Lau
 Ben Nakaoka
 Stephanie Rae
 James Wong
 Tricia Miyashiro

Adon Construction
 Risk Solution Partners
 First Hawaiian Bank
 Pacific Shipyard
 King & Neel Inc.
 Zelinsky Company
 Atlas Insurance Agency