



# Fiscal Year 2016

## *A Report to Our Citizens*

### About Us

The Guam Board of Accountancy (GBA) is an agency of the Government of Guam, located in the Pacific Island American Territory of Guam. GBA is a member of the National Association of State Boards of Accountancy (NASBA) and administers the national Certified Public Accountants (CPA) examination produced by the American Institute of Certified Public Accountants (AICPA). GBA is responsible for maintaining professional standards and practices to safeguard the public interest, through certifying, licensing and regulating all Certified Public Accountants practicing in the Territory of Guam.

### Our Mission and Strategic Objectives

It is the policy of the Territory of Guam, through the Guam Accountancy Act of 2003, as amended, and the purpose of the GBA to promote the reliability of information used for guidance in financial transactions or for accounting for, or assessing, the financial status or performance of commercial, noncommercial, and governmental enterprises. GBA establishes entry-level requirements for CPAs, qualifies candidates to take the national CPA Examination, administers the national CPA Examination, issues candidates' grades and ultimately certifies candidates as possessing the requisite professional skills to effectively practice public accounting in the Territory of Guam. GBA further ensures the continued competency of all Guam licensed CPAs through Board oversight and approval of continuing professional education (CPE) sponsors and by requiring all CPA licensees practicing in Guam to meet annual CPE reporting requirements,



including professional ethics education, as well as participation in tri-annual Peer Review Programs.

### Selected Demographics FY2016

	September 30, 2016
Individual CPA Licensees	2,932
CPA Firm Permits	74
Guam CPA Exam Candidates	1,216
Guam Computer Testing Center CPA Exam Sections Given	6,423
Total Revenues	\$895,937



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### Management

Dave Sanford, Executive Director

Michele Santos, Asst. Exec. Director

### Board Members

John E. Onedera, CPA, Chairperson

Todd S. Smith, CPA, Vice-Chair

Jennie L. Chiu, CPA, Member

Francis Q. Baba, CPA, Secretary

Dafne M. Shimizu, CPA, Treasurer

John Camacho, Ex Officio Member

# How Have We Progressed

## Fiscal Year 2016

UOG SBPA Visiting Professors Reception



### FY2016 Accomplishments

- Herminia Dierking and John Phillips Visiting Professor and Lecturer Program:** GBA contributed \$100,000 to the Guam Accountancy Endowment Fund (GAEF); the Standing Oversight Committee adopted an Investment Policy Statement and Spending plan, and successfully conducted the first University of Guam (UOG) Visiting Professor Summer Program. Two Professors from the U.S. taught an accounting and an auditing class during the UOG summer term, plus a free CPE day for the local community.
- Guam Computer Testing Center:** Experienced volume increases due to the 10-day extended quarterly testing window, implemented in conjunction with the announcement of the “new revised CPA exam” to be launched in April 2017.
- GBA Administrative Services Contract:** Renewed through the RFP process, with Sanford Technology Group LLC, for 3 years beginning FY2017. The Executive Director and staff remain in place.
- Oregon Society of CPAs** confirmed that it will remain the designated AICPA Peer Review Program provider for Guam, covering Guam firms over the foreseeable future.

### Guam Board of Accountancy Performance Measures

	FY2014 Actual	FY2015 Actual	FY2016 Actual
<b>GUAM LICENSEES</b>			
Individual Licensees – New	241	270	448
Individual Licensees – Renewed	1029	1194	1384
Firm Permits – Total	23	22	24
Sole Practitioners – Total	48	51	50
<b>GUAM COMPUTER TESTING CENTER</b>			
CPA Exam Sections – Paid	7297	7282	7555
CPA Exam Sections – Taken	6131	6129	6157
Utilization – Testing hours vs Total Hours	60.9%	62.3%	57.4%
<b>CPA EXAM PERFORMANCE SUMMARY*</b>			
	<b>ALL CY2016</b>	<b>GUAM CY2016</b>	<b>GUAM Ranking (1 to 53)</b>
Candidates	100,230	1,216	26
Sections	260,515	3,346	25
Passing Rate	45.7%	43.8%	44
Average Score	70.1	68.8	46
Average Age	29.9	31.6	49

\*Calendar Year data from NASBA’s Gateway Candidate Database for all jurisdictions

US CPA: WORLD WIDE EXAM SITES



The measures reported on this page were included based on an analysis of the Board’s annual activity plus special events. What would you like to see reported on in this page? Please let us know by contacting [admin@guamboa.org](mailto:admin@guamboa.org).

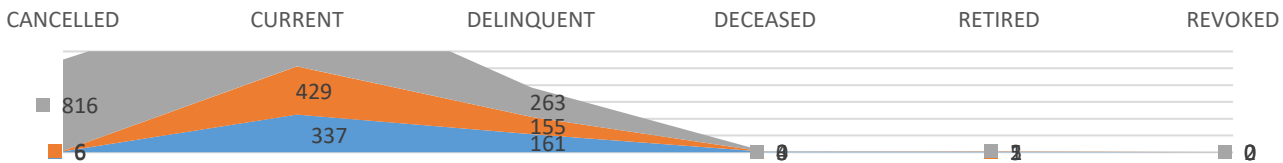
[www.guamboa.org](http://www.guamboa.org)

# Our Finances

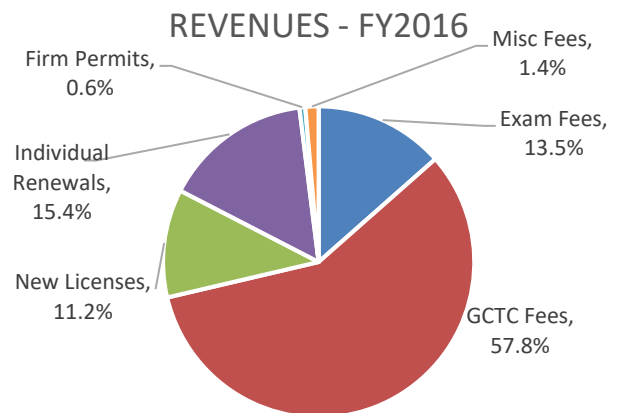
## Revenues and Expenditures

The Guam Board of Accountancy Fund is a special revenue fund created to account for fees derived from CPA exam applicants, issuing licenses and permits, and other revenues such as the Guam Computer Testing Center surcharge, disciplinary fees and such. All GBA revenues are collected from CPA exam candidates, practicing CPAs and CPA firms; no funds are received from the US Federal Government or Government of Guam sources. All expenditures are for administering the Guam Accountancy Act of 2003, as amended.

### Individual Licenses - FY2016

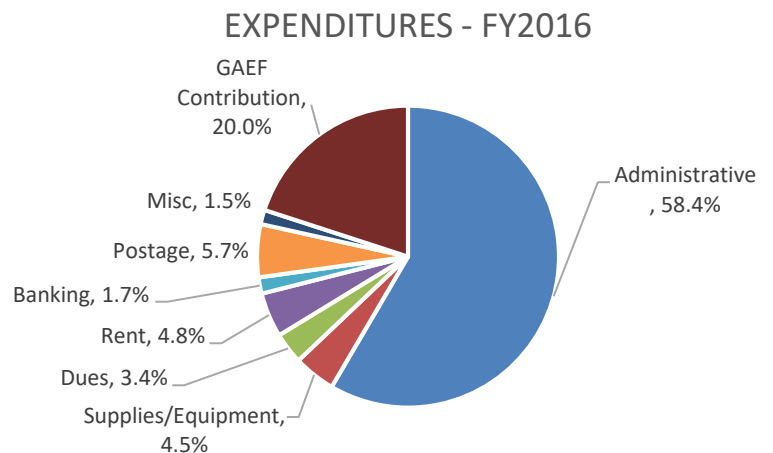


	FY2015	FY2016
Exam Application Fees	\$89,750	\$120,900
GCTC Administration Fees	411,320	518,185
Certification Fees	60,725	100,750
Individual Licensing Fees	119,425	138,350
Firm Licensing Fees	5,675	5,450
Penalties/Miscellaneous Fees	16,762	12,302
<b>Total Revenues</b>	<b>\$703,657</b>	<b>\$895,937</b>



### Expenditures by Service Area

	FY2015	FY2016
Administrative	\$290,245	\$292,273
Supplies/Equipment	17,626	22,448
Dues	14,200	16,862
Rent	23,868	23,868
Banking	6,424	9,391
Postage	14,322	28,365
Miscellaneous	2,882	7,686
GAEF Contribution	0	100,000
<b>Total Expenditures</b>	<b>\$369,567</b>	<b>\$500,893</b>

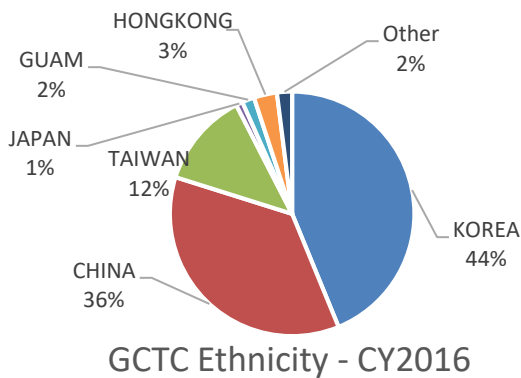


### Independent Audit

An independent audit conducted by Deloitte & Touche LLP included the GBA Special fund in the Government of Guam's Basic Financial Statements for FY2015. Complete financial information can be found at [www.guamboa.org](http://www.guamboa.org).

# What's Next

## Key Initiatives



### Guam Computer Testing Center Challenge

GBA derives more than half of its funds directly from examination fees generated by the Guam Computer Testing Center (GCTC). The GCTC operation continues to be threatened by discussions among the AICPA and PROMETRIC concerning offering the CPA exam testing in China. Considering that over one-third of the GCTC volume is from Chinese candidates, this would have a major impact on GBA revenues. Thus, we continue to judiciously operate the GBA, reserving a portion of each year's revenues to prepare for the likely inevitable approval of testing in China, perhaps within the next three to five years.

### Guam CPA Mobility Initiative

GBA has again amended and re-submitted proposed legislation to enact "Individual Mobility" in Guam for individual CPAs, in order to maintain "substantial equivalency" with the other 54 US jurisdictions, for Guam CPAs. The latest amendments were for changes in the Uniform Accountancy Act as of September 2016. We continue to shepherd this legislation through the legislative process, to ensure that individual Guam CPAs will be authorized to practice in other US jurisdictions without having to obtain a separate license from each of those jurisdictions.

GBA also continues working with the University of Guam (UOG) School of Business to develop a Masters level degree program for CPA candidates who wish to qualify for and pass the CPA exam as an integrated component of their total 150 hours of education. This effort correlates with the proposed "CPA mobility" legislation, as the 150 hour education requirement is also necessary to maintain our substantial equivalency with all other U.S. jurisdictions.

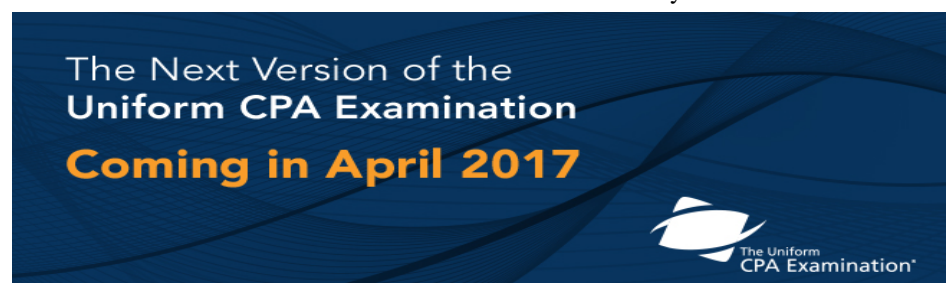
### Next Version of the CPA Exam

Due to the requirements for vetting the scoring of the Next Version of the CPA Exam, candidate scores from the first testing window of the new exam may be delayed for up to 10 weeks. GBA is working with NASBA to ensure that any Guam CPA exam candidates subject to this scoring delay do not lose credit for any passed exam parts, by extended their credit expiry dates to accommodate reacting to the new exam scores when received.

### Goals for the Future

GBA continues working towards accomplishing these goals:

- Implement a full, online, interactive licensing, renewal and payment processing application.
- Upgrade our accounting software with document image attachment and retrieval capability, such that source documents are linked directly to recorded transactions.
- Support UOG's CPA review course by subsidizing materials for Guam resident CPA candidates.
- Continual updating of the Guam Accountancy Act to reflect changes at the national level in the AICPA/NASBA Model Uniform Accountancy Act and Rules.



## We want to hear from you.

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