

# Guam Board of Accountancy

## A Report to Our Citizens

Fiscal Year 2011

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- Michele Santos, Asst. Executive Director

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- Francis D.L. Quinto, CPA, Secretary
- Dafne M. Shimizu, CPA, Treasurer
- John Camacho, Ex Officio Member

### Demographics



Degree Type	Candidate Count
Bachelor's Degree	500
Advanced Degree	78



### 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 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/or regulating all Certified Public Accountants practicing in the Territory of Guam.

### Our Purpose and Goals

It is the policy of the Territory of Guam, through the Guam Accountancy Act of 2003, and the purpose of the GBA to promote the reliability of information that is 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.



# Licensing and the CPA exam

## Exam performance

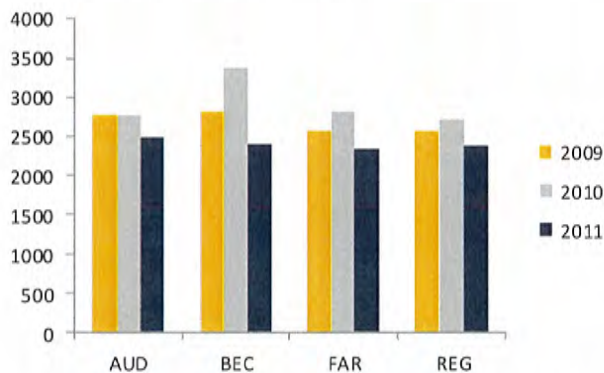
2011			
Section	Sitting	Avg. Score	% Pass
AUD	432	67.9	37.3%
BEC	317	65.2	25.9%
FAR	368	68.8	48.6%
REG	421	65.1	27.6%

Passing score = 75%

CPA Candidates Origin	2009	2010	2011
Korea	4519	4591	3907
Japan	4802	5590	4133
Other	1413	1489	1594

The above testing event totals include candidates from other jurisdictions sitting in the GCTC.

In 2011, a total of 10,667 exams were administered compared to 12,421 in 2010.



The graph above displays the number of total candidates sitting for the exam from years 2009 to 2011.



## What is a CPA?

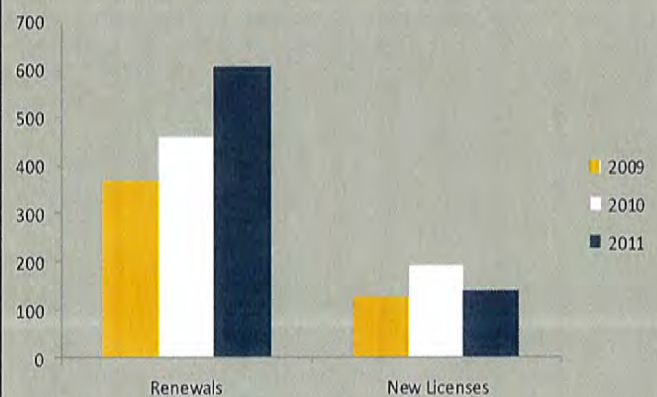
- An *Expert* in accounting, auditing, and tax matters.
- A general business advisor to entities of all types, sizes, and objectives.
- A personal financial advisor to individual clients, friends, or family.

## Licensing Requirements

As of April 26, 2006, the requirements for a Guam CPA certificate include:

1. A baccalaureate degree, including 24 semester hours of upper division accounting courses and 24 semester hours of upper division business courses
2. Completion of the uniform CPA exam
3. Two years of experience, only one year for applicants with 150 semester hours of education, performing auditing or accounting-related duties acceptable to the Board under the direct supervision of and verified by an actively licensed CPA.

## Licenses Summary



In 2011, 140 new individual licenses were issued and 609 were renewed.

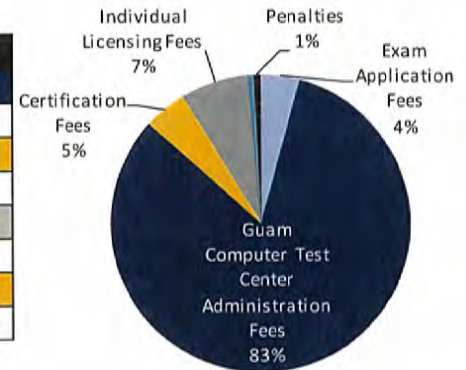


# Our Finances



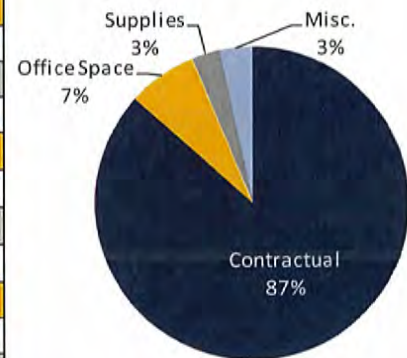
## Revenues

	FY2009	FY2010	FY2011
	Actual	Actual	Actual
Guam Computer Test Center Administration Fees	\$657,750	\$762,150	\$531,315
Individual Licensing Fees	27,435	37,050	48,250
Certification Fees	26,600	39,550	29,250
Exam Application Fees	28,881	40,776	26,875
Penalties/Miscellaneous Fees/Interest	3,759	4,605	5,147
Firm Licensing Fees	3,550	4,000	3,000
<b>TOTAL REVENUES</b>	<b>\$747,975</b>	<b>\$888,131</b>	<b>\$643,837</b>



## Expenditures

	FY2009	FY2010	FY2011
	Actual	Actual	Actual
<b>Contractual</b>			
Administrative Services Contract	\$270,021	\$275,038	\$270,135
Others (Publications, Dues, etc.)	14,200	14,269	15,068
Copier Services	5,262	5,811	5,874
Web/Database development	935	0	0
<b>Office Space</b>	23,868	23,868	23,868
<b>Supplies</b>	5,892	6,889	9,610
<b>Small Equipment</b>	2,819	376	511
<b>Miscellaneous</b>			
Postage	8,535	10,600	10,140
Notices/Compliance Investigations/Others	5,173	1,348	1,234
Training	410	580	0
Bank Charges	15	30	0
<b>TOTAL EXPENDITURES</b>	<b>\$337,130</b>	<b>\$338,809</b>	<b>\$336,440</b>



- Net excess of revenues over expenditures was \$307,397 in 2011, vs. \$549,322 in 2010.
- The first two windows (Aug - Nov 2011) of the international exam administration in Japan resulted in a **+60% loss** of the Japanese CPA candidate base sitting in the GCTC.
- In regards to Japanese candidates, 3,157 sections were administered which is down from 5,795 in 2010. Japan accounted for 38% of the candidates in 2011 vs. 48% in 2010.
- This loss of 1,100+ Japanese candidates translated into an estimated loss of \$160,000 in total GCTC revenues and \$1.2mm in Guam tourism spending.



# 2011 Highlights



## Outline of Events

October 2010 - September 2011

- DEC NASBA Mutual Recognition Agreement (MRA) with CPA Australia expired, but the MRA with the Institute of Chartered Accountants Australia (ICAA) remains in effect.
- JAN - Board received its GSA procurement delegation after staff completed training by GSA Chief Procurement Officer.  
- AICPA launched new CBT-e test with revised simulations, most significant change to the CPA exam since inception in 2004.  
- UOG/Becker CPA Exam Review curriculum including MOU with Board for reimbursement of students' materials costs (based on Becker 50% discount).
- FEB AICPA Peer Review Board Exposure Draft Foreign Auditors operating in USA without proper licensing. Over 100 such unlicensed audits in Texas alone.
- MAR International Testing - Registration starts May 2011, first test window is August 2011.
- APR Board approved \$25 fee increase initiative to cover credit card usage fees; public hearing held July 2011, increase effective November 2011.
- SEP Board approved SCA based amendment to administrative service contract due to changes in the DOL Wage Determination for Guam.

*We want to hear from you! Do you like this report? Do you believe it should include more information? Please contact Michele Santos at 647-0813 ext. 601, or email [licensing@guamboa.org](mailto:licensing@guamboa.org). For further information, please visit our website at [www.guamboa.org](http://www.guamboa.org)*



- The Becker Review Course was implemented in 2011. GBOA provides scholarship reimbursement of books and materials.
- 50% up to a maximum of \$2,000.
- 9 students in UOG's Fall 2011 were awarded \$1,695 each (\$15,255 total).



- The Accountancy Licensee Database (ALD) is a central repository of licensee and firm information.
- Ideally will become the most comprehensive, current and accurate source of licensing information about individual licensed accountants and accounting firms in the U.S.
- Today, 35 boards are contributing licensee and firm information to ALD and 14 more have committed to joining.

