GUAM board of accountancy

Email: senator@senatorbjcruz@com

GH 34-17-864

Speaker Benjamin J.F. Cruz

August 9, 2017

AUG 0 9 2017

Time: 4:03 [ ] AM [ ] PM File No. 34770

Received By:

Honorable Benjamin J. F. Cruz
Speaker, 34th Guam Legislature
163 Chalan Santo Papa Juan Pablo Dos
Hagatña, GU 96910

2017 AUG -9 PM 4:36

Subject: Reporting Requirements Pursuant to P.L. 30-127, Citizen-Centric Reporting

In compliance with Citizen-Centric Report Public Law 30-127, attached are the pdf email attachments of CCR FY2015 and CCR FY2016.

Should you have any questions, please call us at 647-0813 or email to: execdir@guamboa.org.

Sincerely,

Dave N. Sanford
Executive Director

Attachments: PDF CCR FY2015 - 2016

tel.671.647.0813 • fax.671.647.0816
email.guamboa@guamboa.org • www.guamboa.org
Suite 101, 335 South Marine Corps Drive, Tamuning, GU 96913

0864

GUAM board of accountancy

Fiscal Year 2015

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 FY2015

	September 30, 2015
Individual CPA Licensees	2,546
CPA Firm Permits	73
Guam CPA Exam Candidates	906
Guam Computer Testing Center CPA Exam Sections Given	6,088
Total Revenues	$703,657



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Doc. No. 34GL-17-0864.

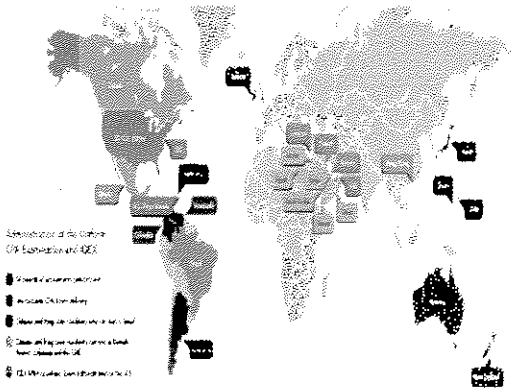
How Have We Progressed
Fiscal Year 2015



FY2015 Accomplishments

- **Herminia Dierking and John Phillips Visiting Professor and Lecturer Program:** The GBA contributed $1.0 million to the University Of Guam (UOG) Endowment Foundation, Inc., in December 2014, creating the agency advised Guam Accountancy Endowment Fund, pursuant to Public Law 32-191, thus implementing the UOG Herminia Dierking and John Phillips Visiting Professor and Lecturer Program. The late Speaker Ben Pangelinan's committee crafted Bill 303-32 to appropriate the funds from the GBA to the UOG Endowment Foundation, Inc.
- **Guam Computer Testing Center:** NASBA again won the operating contract RFP, extending its services through 2023.
- **Philippine Institute of Certified Public Accountants' 12th Metro Manila Region International Conference:** GBA presented "Safeguarding the Public Interest: *A Glimpse into the Guam Board of Accountancy*" to over 150 participants visiting Guam.

US CPA: WORLD WIDE EXAM SITES



Guam Board of Accountancy Performance Measures	FY2013 Actual	FY2014 Actual	FY2015 Actual
GUAM LICENSEES			
Individual Licensees – New	219	241	270
Individual Licensees – Renewed	871	1029	1194
Firm Permits – Total	17	23	22
Sole Practitioners – Total	53	48	51
GUAM COMPUTER TESTING CENTER			
CPA Exam Sections – Paid	7203	7297	7282
CPA Exam Sections – Taken	5495	6131	6129
Utilization – Testing hours vs Total Hours	53.0%	60.9%	62.3%

CPA EXAM PERFORMANCE SUMMARY*	ALL CY2015	GUAM CY2015	GUAM Ranking (1 to 53)
Candidates	182,423	906	31
Sections	240,886	2,469	26
Passing Rate	47.7%	43.8%	42
Average Score	71.1	69.4	47
Average Age	29.2	32.3	52

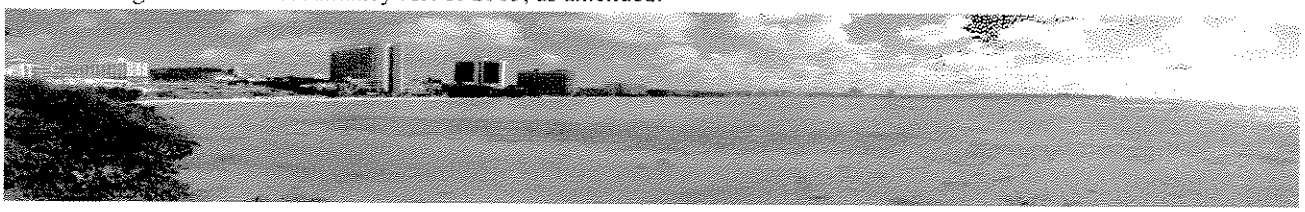
*Calendar Year data from NASBA's Gateway Candidate Database for all jurisdictions

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

www.guamboa.org

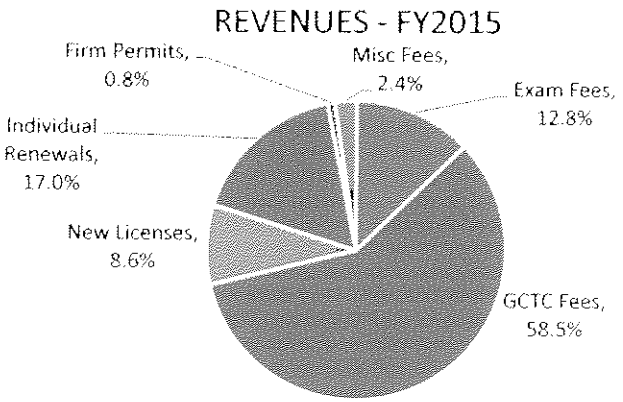
Our Finances
Revenues and Expenditures

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.



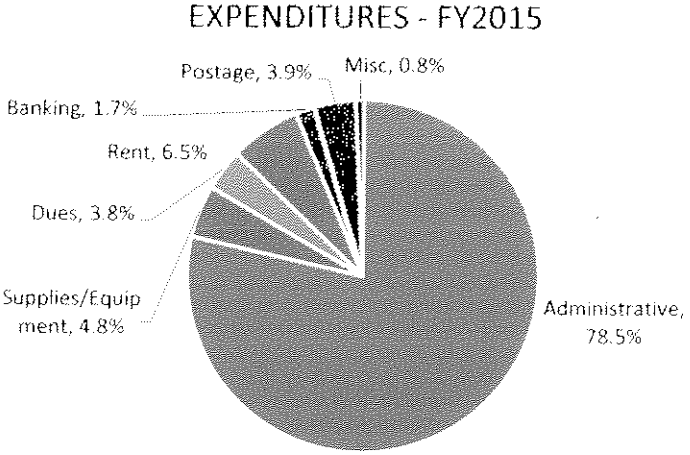
Revenue by Source

	FY2014	FY2015
Exam Application Fees	$80,300	$89,750
GCTC Administration Fees	397,870	411,320
Certification Fees	54,200	60,725
Individual Licensing Fees	102,925	119,425
Firm Licensing Fees	5,325	5,675
Penalties/Miscellaneous Fees	9,560	16,762
Total Revenues	**$650,180**	**$703,657**



Expenditures by Service Area

	FY2014	FY2015
Administrative	$275,721	$290,245
Supplies/Equipment	16,883	17,626
Dues	18,525	14,200
Rent	23,868	23,868
Banking	5,392	6,424
Postage	15,266	14,322
Miscellaneous	1,774	2,882
GAEF Contribution	0	0
Total Expenditures	**$357,429**	**$369,567**



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.

What's Next
Key Initiatives



We want to hear from you.

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Please let us know by contacting us at admin@guamboa.org. For more information on our services, visit our website at www.guamboa.org

Guam Board of Accountancy Office
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admin@guamboa.org
www.guamboa.org

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 is operated by NASBA under contract with the GBA through 2023, aligned with the AICPA, NASBA, PROMETRIC Uniform CPA Exam contract extension to 2024. Due to testing in Japan, and as expected, candidates from Japan are now less than our local Guam resident candidates. The majority of GCTC candidates are now Korean and Chinese. Thus, we continue to judiciously operate the GBA, reserving a portion of each year's revenues to offset potential lost GCTC revenues if testing is approved in China. Still, we budget most excess revenues as an annual contribution to the Guam Accountancy Endowment Fund supporting the UOG Visiting Professor and Lecturer Program.

Guam CPA Mobility Initiative

GBA has drafted and 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. This means that individual Guam CPAs will be authorized to practice in other US jurisdictions without having to obtain a separate license from those jurisdictions.

GBA is also working with the University of Guam (UOG) School of Business to strengthen the accounting program and develop a masters level degree to qualify CPA candidates for licensing with 150 hours of education. This effort correlates with the proposed legislation to provide mobility for Guam licensees, as the 150 hour education requirement is also necessary to maintain our substantial equivalency with all other US jurisdictions.

Goals for the Future

GBA continues working towards accomplishing these goals:

- Improve our Online Presence through the implementation of a fully online, interactive, website for licensing, renewals, and fee collections.
- Improve records management with an upgraded document imaging and retrieval system.
- 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.

GUAM board of accountancy

Fiscal Year 2016

A Report to Our Citizens

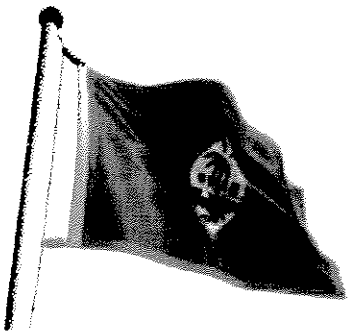


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Selected Demographics FY2016

	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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How Have We Progressed
Fiscal Year 2016

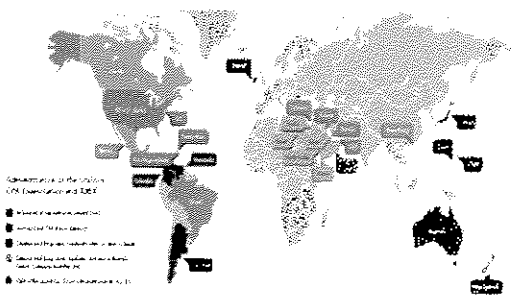
UOG SBPA Visiting Professors Reception



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.

US CPA: WORLD WIDE EXAM SITES



Guam Board of Accountancy Performance Measures	FY2014 Actual	FY2015 Actual	FY2016 Actual
GUAM LICENSEES			
Individual Licensees – New	241	270	448
Individual Licensees – Renewed	1029	1194	1384
Firm Permits – Total	23	22	24
Sole Practitioners – Total	48	51	50
GUAM COMPUTER TESTING CENTER			
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%

CPA EXAM PERFORMANCE SUMMARY*	ALL CY2016	GUAM CY2016	GUAM Ranking (1 to 53)
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

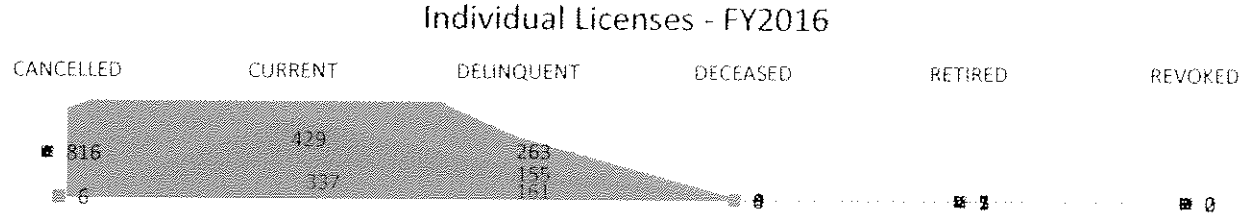
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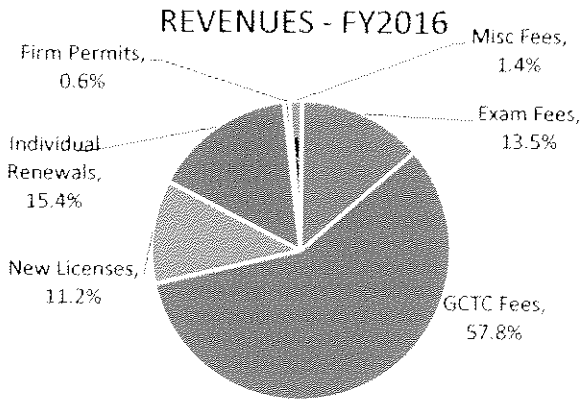
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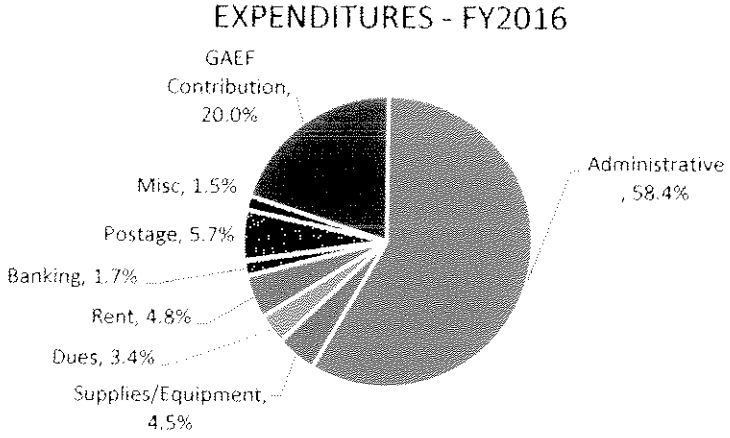


	FY2015	FY2016
Exam Application Fees	$89,750	$120,900
GCTC Administration Fees	411,320	518,185
Certification Fees	60,725	100,750
Individual Licensing Fees	119,425	138,350
Firm Licensing Fees	5,675	5,450
Penalties/Miscellaneous Fees	16,762	12,302
Total Revenues	**$703,657**	**$895,937**



Expenditures by Service Area

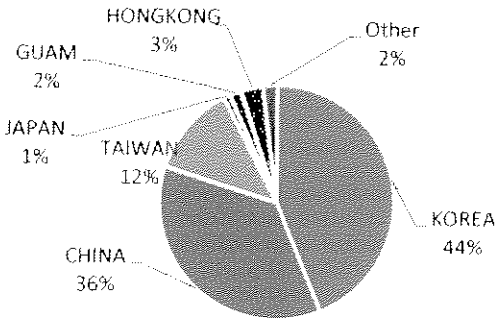
	FY2015	FY2016
Administrative	$290,245	$292,273
Supplies/Equipment	17,626	22,448
Dues	14,200	16,862
Rent	23,868	23,868
Banking	6,424	9,391
Postage	14,322	28,365
Miscellaneous	2,882	7,686
GAEF Contribution	0	100,000
Total Expenditures	**$369,567**	$500,893



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.

What's Next
Key Initiatives



GCTC Ethnicity - CY2016

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Guam Computer Testing Center Challenge

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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.

