



GUAM

board of accountancy

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May 24, 2010

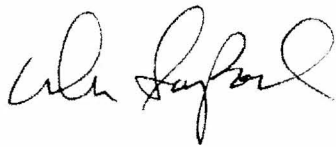
Honorable Judith T. Won Pat
Speaker, 30th Guam Legislature
155 Hesler Place
Hagatña, GU 96932

Dear Madam Speaker:

Please find enclosed Guam Board of Accountancy's Annual Report covering FY 2008 and FY 2009.

If you need any additional information, or have any questions, please contact me at your earliest convenience. Thank you.

Sincerely,



Dave N. Sanford
Executive Director

Enclosure

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30-10-0504

Office of the Speaker
Judith T. Won Pat, Ed. D.

Date 2010
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ANNUAL REPORT

Fiscal Years

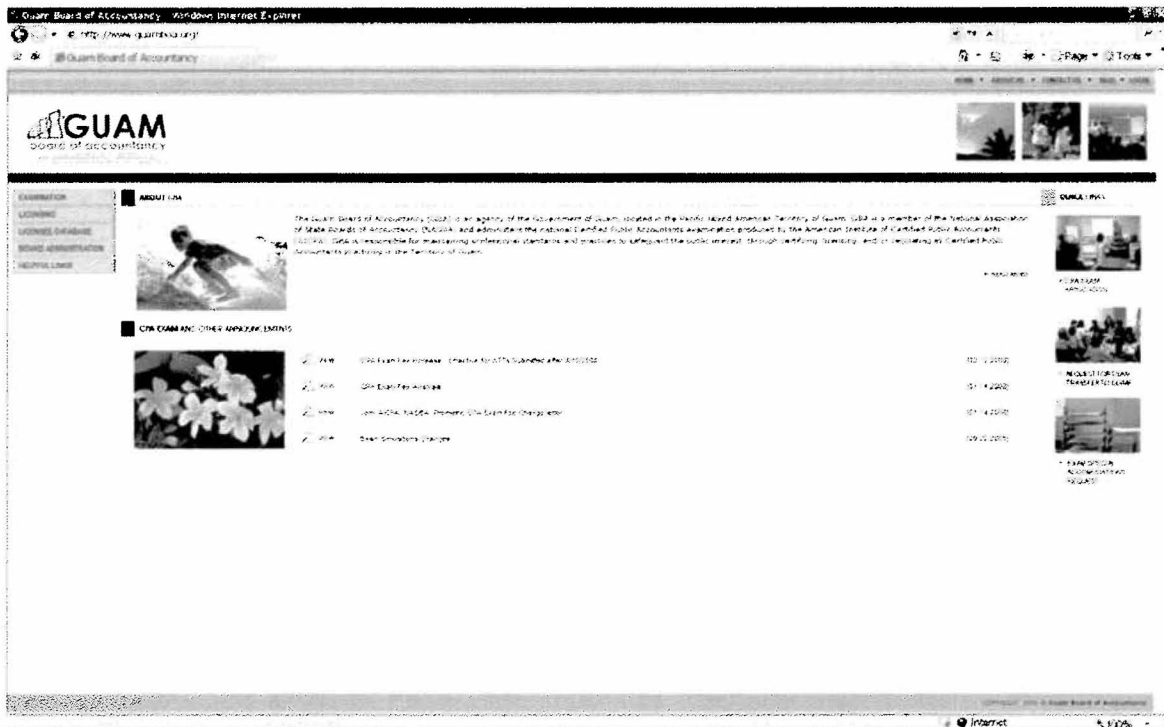
2008 and 2009

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Please visit our website for individual CPA listings, Firm Permits to Practice listings, and additional continually updated information:

www.guamboa.org



Introduction

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 Accountant (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.

Policy, Purpose and Function

It is the policy of the Territory of Guam, through the Guam Accountancy Act of 2003 (as amended), and the purpose of the **Guam Board of Accountancy** 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.

The Government of Guam believes that the public interest requires that persons professing special competence in accountancy or offering assurance as to the reliability or fairness of presentation of accounting or financial information must demonstrate their qualifications to do so. Persons who have not demonstrated and maintained such qualifications will not be permitted to represent themselves as having such special competence or to offer such assurance.

To fulfill its purpose, **GBA** is tasked to prescribe and assess the qualifications of licensees, to regulate the conduct of all persons licensed as having special competence in accountancy in all aspects of their professional work, and to prohibit the use of titles that have a capacity or tendency to deceive the public as to the status or competence of the persons using such titles.

GBA addresses these tasks primarily through establishing entry-level requirements for CPAs, qualifying candidates to take the national CPA Examination, administering the national CPA Examination, issuing candidates' grades and ultimately certifying 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, as defined by the AICPA.

GBA is entirely self-sustaining and spends no taxpayer dollars. Fees collected for exam administration, license applications and renewals and other services exceed the Board's expenditures. The legislature appropriates the Board's annual operating budget request which is funded wholly by Board revenues. The Guam Attorney General is the Board's statutory legal counsel. An assistant attorney general represents the Board as required.



Message from the Board Chair

Mr. John Onedera, CPA

This has been my 7th year as a member of the Guam Board of Accountancy and my first year to serve as chairperson. It's always a pleasure serving with my fellow Board members and our office staff makes it a rewarding educational experience as well.

The Guam Accountancy Act of 2003, as amended in 2006, is generally aligned with the Uniform Accountancy Act (UAA) model law jointly recommended by the National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA) as a basis for regulating the public accounting profession. This UAA model continually evolves to maintain its effectiveness in the economic and regulatory environments our CPAs practice within daily. Recently, the Board has discerned a need to adapt our accountancy law to meet new challenges in these changing environments. The Board has questioned, investigated and attempted to determine how best to cope with mobility issues and educational requirements that will directly affect our Guam CPA candidates, along with the internationalizing of the CPA exam. Incorporating mobility - aka "no notice, no fee, no escape" - provisions in Guam's public accountancy statutes will enable our Guam licensees to practice in any United States jurisdiction, but also enables CPAs from any jurisdiction to practice in Guam. Likewise, reverting our educational requirements to a mandatory 150 hours will guarantee our Guam licensees meet the requirements of other United States jurisdictions, while placing a heavier educational burden on our local Guam CPA candidates than that imposed by our current baccalaureate degree minimum. These issues are *double-edged*, if you will, with unavoidable consequences attendant with every choice. Ergo, the Board continues approaching these issues with a deliberate regard for their effects on our Guam CPA candidates, our Guam CPA practitioners, and how best service to the Guam public at large may be effected.

Also, Guam continues to lead the nation in CPA examinations administered through our single Guam Computer Testing Center. Though an arduous task, we have maintained this lead in the face of the inevitable internationalizing of the CPA exam, and we consistently work to mitigate any impact such may have on the Board's revenues and operations.

As we strive to provide our applicants, licensees and the public with improved services, ethically, I am pleased to say we have one of the most complaint-free communities within the entire 55 regulatory jurisdictions belonging to NASBA today. Thank you Guam!

Sincerely,


Mr. John Onedera, CPA
Board Chair, 2009

Board Members

The Board is composed of five members, all of whom are certified public accountants appointed by the Governor. Guam's Department of Revenue and Taxation director serves as an ex-officio Board member with specific duties under the Guam Accountancy Act, as amended. Board members are not compensated for performance of their official duties. There were NO unexcused absences from any Board meetings during the years covered by this report.



John E. Onedera, CPA

Chairman, Term 2007 - 2010
Licensed since 1992
Partner – Ernst & Young Guam



Todd S. Smith, CPA

Vice-Chairman, Term 2008 – 2011
Licensed since 1974
Partner – Deloitte Guam (Retired)



Dafne M. Shimizu, CPA

Asst Secretary/Treasurer, Term 2008 - 2011
Licensed since 2000
Financial Controller - Tumon Aquarium LLC



M. Francis Quinto, CPA

Secretary/Treasurer, Term 2008 - 2011
Licensed since 2000
Accounting Manager - Shell North Pacific Islands



Jennie L. Chiu, CPA

Member, Term 2009 - 2011
Licensed since 1991
Senior Tax Manager - Deloitte Guam



Artemio Ilagan

Ex-Officio Member as
Director
Guam Department of Revenue & Taxation

Board Staff

since October 2005



Dave Sanford
Executive Director
CPA.CITP:
Florida 1977
Guam 1980
CITP 2001



Michele B. Santos
Assistant Executive Director
and Licensing Administrator



Arleen Gay
Board Secretary



Ralia Gogue
Administration and Support Staff



Jessica Reyes

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Or visit us on the web at: <http://www.guamboa.org>

Board Activities and Accomplishments

Fiscal Year 2008 Highlights

Fiscal year 2008 encompassed several tumultuous events surrounding the Uniform CPA Examination's continuing development and administration. Indeed, NASBA sponsored a *Conference on the State of the Examination* to garner feedback from all jurisdictions concerning relevance of provisions of the existing CBT Services Agreement between AICPA, NASBA and Prometric; possible development of a *contingency* exam in the event the Uniform CPA Exam becomes unavailable; and the activities of a Joint Committee on International Delivery of the Uniform CPA Exam considering delivering the CPA exam at Prometric testing centers in other countries. International delivery of the exam raised issues of candidate authorization and licensing, content security, increased costs and a piloting program plan. Ultimately, the conference exposed an overwhelming *mandate* by most all jurisdictions that the Uniform CPA Exam and CBT Services agreement be continued, with certain tweaks of terms, and that any international delivery of the Uniform CPA Exam be focused on "state-based" candidate approvals and CPA licensure.

The NASBA and AICPA Mobility task forces were quite successful in their first full year of operation with 31 jurisdictions enacting mobility legislation and 16 more committing to do so. Facing the Treasury Department's Advisory Committee on the Auditing Profession recommendation that steps be taken against those states that do not implement mobility by 2010, the Board continues to evaluate the effects of doing so in Guam.

Another event of importance during the year was NASBA's website posting of a whitepaper discussing the efficacy of allowing CPA exam candidates to sit for the exam with only 120 semester hours of education and pursue the additional 30 semester hours of education required for licensure after passing the exam. The 120/150 hour debate continues, with no substantiating evidence that 150 semester hours better protects the public, yet most all jurisdictions have now enacted legislation requiring 150 hours for licensure as of 2012 at the latest. Guam's current requirement of a baccalaureate degree with the attendant business and accounting semester credit hours will not be sufficient after that time to qualify Guam CPAs for movement under most jurisdictions' mobility regulations or as members of the AICPA. There is, then, a definite need to revisit our regulations relative to the educational hours requirement and Guam's ability to make such available for our resident CPA candidates in the next several years.

Further, the convergence of International Financial Reporting Standards (IFRS) with U.S. Generally Accepted Accounting Principles (GAAP) has pushed forward and the

International Accounting Standards Board (IASB) has been recognized by more than a few jurisdictions as a standard setter. These moves towards convergence raise three over-reaching issues which all jurisdictions ultimately must address proactively lest their authority be eclipsed by international public companies' needs:

- 1) the implications of accepting non-reconciled IFRS alongside GAAP
- 2) accommodating a two-tiered system for public companies using IFRS versus private companies for whom GAAP seems most appropriate
- 3) oversight of cross-border accountants and firms servicing this myriad of *principled* standards geared toward protecting the public at large

NASBA is on record as opposing the SEC's *convergence rush* and many jurisdictions agree that haste is uncalled for, yet our educational institutions and even the major CPA firms are already educating accounting graduates in the ways of IFRS. To be sure, these issues will loom large over the next few years.

Last but not at all least, Board members and staff were pleased to welcome Mr. David Highsmith, a Guam Assistant Attorney General, as our legal counsel.

Fiscal Year 2009 Highlights

Fiscal year 2009 saw the Uniform Accountancy Act (UAA) Model Rules revised by NASBA as of April 2009. The rule changes addressed communications with individual Boards; eliminated references to the paper-and-pencil Uniform CPA Examination; clarified rules on prima facie evidence of good moral character; defined "place of business"; clarified rules on interstate practice; added rules on unregistered firm compliance with applicable compliance assurance requirements; clarified rules on grounds for enforcement actions against licensees, on review of professional work product, and on reporting convictions, judgments and administrative proceedings; added rules on participation in multistate enforcement compacts; and ultimately revised the substantial equivalency rules re: mobility issues.

Another major standards revision initiative was urged by the AICPA Reliability Task Force based on results of a survey and input from third party users. The task force was charged with considering issues involving the work that accountants are frequently asked to perform for clients so that those clients could prepare quality financial statements. The task force consisted of practitioners, representatives from AICPA standard setting bodies, academics, a banker, and a preparer of financial statements. After considering the issues, the task force recommended consideration of a new framework for the existing *Statements on Standards for Accounting and Review Services (SSARS)*. In response, the AICPA Accounting and Review Services Committee began a *SSARS* recodification effort, including a strategy to converge its standards with those of the International Auditing and Assurance Standards Board

(IAASB). These efforts culminated in an exposure draft released in April 2009 with expectations of approval by year's end. Once adopted, this revised and recodified *SSARS* release will affect most if not all of our licensed Guam CPA practitioners.

The "internationalizing" of the U.S. CPA examination remains as the national issue most directly applicable to Guam. The Board sees "piloting" the international administration of the Uniform CPA exam in Japan as a direct threat to the viability of Guam's Computer Testing Center (GCTC). Though the initial effort is not scheduled for another year, in our estimation Guam will lose at least half of today's Japan-based testing volume if not more. Though most are not Guam CPA candidates per se, they are sitting for the exam in the GCTC. Translated into direct economic impact, Guam's economy stands to see a 1,200 - 2,400 pax reduction in visitor arrivals and decreased local economy spending upwards of \$1.3mm - \$2.6mm, resulting in up to a \$240,000 decrease in Board revenues. To prepare for this inevitable occurrence, the Board has judiciously monitored its operating revenues and expenditures since this "internationalizing" effort began, and remains ever vigilant of the "pilot testing" project status.

This year has been one of accumulating change. We have seen change in many of the Uniform Accountancy Act rules; change in various AICPA standards; change through recognition of international standard setting bodies and through the incorporation of international standards within various jurisdictions' laws and rules, either directly or by reference; and change by the incorporation of IFRS et al in our educational institutions' current curriculum. Economic and financial globalization has wrought change within most all aspects of the public accounting profession.

In response, the Board continuously evaluates how best to apply such changes within Guam's laws and rules and, in doing so, maintain protection of the public interest as a whole, along with the capacity and effectiveness of Guam's public accounting profession. Looking forward, towards this end it is anticipated that the Board will offer future legislation to address these accumulating issues and to maintain Guam's position in tune with the prevailing national level of public accountancy regulation.

Fees and Financial Information

Board fees are set forth in the Guam Accountancy Act Administrative Rules [25 G.A.R. 2103(d)]. A table of current fees charged by the Board, along with Actual and Budget financial information, and CPAES CPA exam fee projections follows.

The Board fees in effect as of April 26, 2006, are:

	Application Processing		NASBA/PROMETRIC/AICPA	
Examination Applications - Initial and Re-Exam	\$25.00		Actual fees per test section (see following exam fee schedule)	
	GBOA		GCTC (CPAES)	
Jurisdictional Testing Fee	\$50.00 per section (rebated, waived for those applicants demonstrating Guam residency)		\$50.00 per section	
Application for Expiration Extensions (for Notice To Schedule, Conditional Credits)	\$25.00			
CPA Certification & Licensure	Active	Inactive	Foreign	Substantial Equivalency
- Initial	\$200.00	\$200.00	\$200.00	\$200.00
- Renewal (including Retired)	75.00	75.00	75.00	150.00
- Reinstatement	250.00	250.00	250.00	250.00
- Provisional - every ninety (90) days	75.00	75.00	75.00	150.00
	Initial	Renewal	Reinstatement	Provisional
Firm Permits to Practice	\$250	\$200	\$250	\$200
Delinquency Fee - for Late Filing of any CPE forms, or License or Permit Renewal application forms	\$50.00 per form			
Copies of Records	\$0.50 per page			
Annual Reports of the Board	\$10.00 per copy			

Actual Financial Performance

Statement of Revenues, Expenditures & Changes in Fund Balance						
ACTUAL for Fiscal Years Ended September 30 th						
	NOTES	2005	2006	2007	2008	2009
REVENUES	US\$					
CPA Examination Application Fees	(1)	9,025	7,025	9,875	20,975	28,881
Guam CTC Administration Fees		504,850	591,050	521,800	617,550	657,750
Certification Fees	(1)	7,675	6,500	18,780	22,125	26,600
Individual Licensing Fees	(1)	10,981	11,136	12,600	23,405	27,435
Firm Licensing Fees		3,100	2,400	2,275	2,200	3,550
Penalties/Misc Fees/Interest	(4)	200	100	1,055	2,179	3,759
TOTAL REVENUES		535,831	618,211	566,385	688,434	747,975
EXPENDITURES						
Board Travel		0	0	0	0	0
Contractual	(2)	270,218	260,856	258,009	292,829	290,418
Office Space		24,676	23,868	23,868	23,868	23,868
Supplies		4,273	5,153	1,948	5,025	5,892
Equipment		0	657	0	2,775	2,819
Miscellaneous	(3)	945	11,885	0	4,998	14,133
Telephone Services	(3)	2,989	380	0	0	0
TOTAL EXPENDITURES		303,101	302,799	283,825	329,495	337,130
Current Surplus (Deficit)		232,730	315,412	282,560	358,939	410,845
Cumulative Fund Balance						
Beginning		1,525,618	1,758,348	0	308,180	667,119
Ending	(4)	1,758,348	2,073,760	282,560	667,119	1,077,964

Notes:

- (1) Licensing requirements changed in 2006 increased international candidates seeking Guam licenses
- (2) Includes increased NASBA dues in FY2008; adjustments for US DOL Wage Determination increases
- (3) FY2006 NASBA dues misclassified; FY2008-09 international postage increases; FY2009 one-time complaint investigation costs; Office space lease includes all utilities, internet access and telephone service
- (4) FY2006 fund balance swept; FY2008 legislature authorized establishing separate interest-bearing account; as of FY2008 revenues and expenditures are accounted for by the Board using the modified-accrual basis

Approved Annual Budgets

Budgeted Revenues, Expenditures & Changes in Fund Balance						
APPROVED BUDGET for Fiscal Years Ended September 30 th						
	NOTES	2005	2006	2007	2008	2009
REVENUES						
CPA Examination Application Fees	(1)	0	6,700	7,000	8,780	9,038
Guam CTC Administration Fees		600,000	517,700	520,000	533,000	523,273
Certification Fees	(1)	34,600	3,600	3,600	6,200	19,700
Individual Licensing Fees	(1)	11,864	9,000	9,000	10,300	13,299
Firm Licensing Fees		2,250	3,000	3,000	2,400	2,200
Penalties/Miscellaneous Fees		7,675	0	0	0	0
TOTAL REVENUES		656,389	540,000	542,600	560,680	567,510
EXPENDITURES						
Board Travel		17,500	17,500	17,500	0	0
Contractual		512,000	372,144	343,161	357,756	370,481
Office Space		25,080	25,080	23,868	23,868	23,868
Supplies		10,000	10,000	10,000	3,576	3,351
Equipment		15,000	12,500	12,500	9,000	6,000
Miscellaneous	(2)	37,000	12,000	12,000	23,000	6,000
Telephone Services		6,000	6,000	6,000	300	300
TOTAL EXPENDITURES		622,580	455,224	425,029	417,500	410,000
Current Surplus (Deficit)		33,809	84,776	117,571	143,180	157,510
Cumulative Fund Balance						
Beginning		(167,818)	(134,009)	(49,233)	68,338	211,518
Ending		(134,009)	(49,233)	68,338	211,518	369,028

Notes:

- (1) Licensing requirements changed in 2006 increased international candidates seeking Guam licenses
- (2) Included NASBA dues - since reclassified as contractual - and planned training costs

Actual and Projected CPA Examination Fees

As of May 17, 2005, the Board advised CPA exam candidates that, due to candidate volumes and those projected for the next three (3) years, the CPA examination financial model for the computer-based test (CBT) revealed a legitimate need to increase examination fees.

In response to issues faced by many boards of accountancy, NASBA and the AICPA agreed to postpone their fee increases until January 1, 2007, however, Prometric increased their fee as of the second quarter in 2005.

As of the close of fiscal year 2009, the AICPA, the NASBA and Prometric all were granted fee increases through January 1, 2010, ranging from 6% to 48%. All candidates Authorized To Test (ATT) by the Board on or after January 1, 2010 are required to pay these increased fees.

For future planning purposes, following is our Fee Analysis showing the Prometric, AICPA and NASBA per Section and Total Exam fees approved, estimated and/or projected for implementation through the year 2011. Note the 2011 Prometric fee decrease results from exceeding an agreed upon nation-wide testing event volume.

CPA EXAMINATION - FEE ANALYSIS INCEPTION to JANUARY 1, 2011

Section Duration	Fee Factors		CPA EXAMINATION SECTIONS				TOTAL
	Unit	Rate	AUD	FAR	REG	BEC	EXAM
	Hours		4.5	4.0	3.0	2.5	14.0

INITIAL FEE APRIL 1, 2004			FEES PER SECTION				TOTAL
	Unit	Rate	AUD	FAR	REG	BEC	EXAM
PROMETRIC		US\$					
Testing	hourly	17.00	76.50	68.00	51.00	42.50	238.00
Picture	section	3.00	3.00	3.00	3.00	3.00	12.00
AICPA	section	45.00	45.00	45.00	45.00	45.00	180.00
NASBA	section	10.00	10.00	10.00	10.00	10.00	40.00
TOTAL FEES			134.50	126.00	109.00	100.50	470.00

EFFECTIVE JANUARY 1, 2005/2007			FEES PER SECTION				TOTAL	INCREASE
	Unit	Rate	AUD	FAR	REG	BEC	EXAM	%/%/%
PROMETRIC		US\$						
Testing	hourly	22.50	101.25	90.00	67.50	56.25	315.00	32.4% (2005)
Picture	section	3.00	3.00	3.00	3.00	3.00	12.00	
AICPA	section	65.00	65.00	65.00	65.00	65.00	260.00	44.4%
NASBA	section	15.00	15.00	15.00	15.00	15.00	60.00	50.0%
TOTAL FEES			184.25	173.00	150.50	139.25	647.00	18.3%

EFFECTIVE JANUARY 1, 2008			FEES PER SECTION				TOTAL	INCREASE
	Unit	Rate	AUD	FAR	REG	BEC	EXAM	%/%/%
PROMETRIC		US\$						
Testing	hourly	23.85	107.33	95.40	71.55	59.63	333.90	6.0%
Picture	section	4.00	4.00	4.00	4.00	4.00	16.00	33.3%
AICPA	section	80.00	80.00	80.00	80.00	80.00	320.00	23.1%
NASBA	section	18.00	18.00	18.00	18.00	18.00	72.00	20.0%
TOTAL FEES			209.33	197.40	173.55	161.63	741.90	14.7%

EFFECTIVE JANUARY 1, 2009/2010			FEES PER SECTION				TOTAL	INCREASE
	Unit	Rate	AUD	FAR	REG	BEC	EXAM	%/%/%
PROMETRIC		US\$						
Testing	hourly	24.80	111.60	99.20	74.40	62.00	347.20	4.0% (2010)
Picture	section	5.95	5.95	5.95	5.95	5.95	23.80	48.8%
AICPA	section	95.00	95.00	95.00	95.00	95.00	380.00	18.8%
NASBA	section	18.00	18.00	18.00	18.00	18.00	72.00	
TOTAL FEES			230.55	218.15	193.35	180.95	823.00	10.9%

EFFECTIVE JANUARY 1, 2011			FEES PER SECTION				TOTAL	DECREASE
	Unit	Rate	AUD	FAR	REG	BEC	EXAM	%/%/%
PROMETRIC		US\$						
Testing	hourly	22.05	99.23	88.20	66.15	55.13	308.70	11.1%
Picture	section	5.95	5.95	5.95	5.95	5.95	23.80	
AICPA	section	95.00	95.00	95.00	95.00	95.00	380.00	
NASBA	section	18.00	18.00	18.00	18.00	18.00	72.00	
TOTAL FEES			218.18	207.15	185.10	174.08	784.50	4.7%

Licensing and the CPA Examination

In order to obtain certification as a Guam CPA, a candidate must fulfill specific education requirements, pass the uniform CPA examination, and submit verification of qualified work experience to the Board.

As of January 1, 2004, the requirements for a Guam CPA certificate became a baccalaureate degree with 150 total semester hours, including 24 semester hours in accounting courses and 36 semester hours in business courses; completion of the CPA exam; and one year of experience performing auditing or accounting-related duties acceptable to the Board under the direct supervision of a licensed CPA.

As of April 26, 2006, the requirements for a Guam CPA certificate were changed to a baccalaureate degree, including 24 semester hours in accounting courses and 24 semester hours in business courses; completion of the CPA exam; and 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 a licensed CPA.

A historical summary of the certificates, licenses and permits issued by the Guam Board of Accountancy follows. In FY 2004 Guam changed to a one-tier jurisdiction equating the CPA certificate with a CPA license. The decline in licenses after FY 2004 stems from the 150 hour education requirement, while the FY 2005 increase in new licenses reflects "grandfathered" CPA candidates obtaining their licenses before the expiration of their allotted transition period. Since FY 2006, annual licensees have more than doubled. This is a direct results of the changed requirements which equated Guam's educational specifications with the majority of the nation's jurisdictions and also required all "inactive" licensees to renew annually in order to maintain their licenses. Beginning with FY 2010, any licensee that does not renew annually will be classified as delinquent, and any licensee that has not renewed within the three previous years will be cancelled.

CPA Certificates Issued

Fiscal Year	Examination	Reciprocity	Total
2003	161	3	164
2002	106	6	112
2001	216	3	219
2000	73	4	77

Individual CPA Licenses Issued

Fiscal Year	New Licenses	Renewals	Total
2009	128	370	498
2008	98	289	387
2007	60	178	238
2006	49	146	195
2005	28	146	174
2004	21	146	167
2003	16	155	171
2002	10	124	152
2001	13	117	142
2000	9	111	129

CPA Firm Permits Issued

Fiscal Year	New Permits	Renewals	Total
2009	5	23	38
2008	12	21	33
2007	3	18	21
2006	0	18	18
2005	3	15	18
2004	3	15	18
2003	2	15	17
2002	18	29	38
2001	9	13	20
2000	0	7	11

Firm Registration and Peer Review

Those firms that perform financial reporting services (attest firms) are required to undergo a comprehensive peer review in accordance with standards adopted by the Board. The peer review program is designed to assess the quality of the firm's work, its professional staff, and its overall performance in the delivery of services to its clients. A peer review must be completed for each attest firm at least every three

years and additional work may often be required between formal reviews if the firm’s peer review identifies deficiencies. Firms must submit proof of peer review completion to the Board in order to renew their firm permit to practice.

The Guam Society of Certified Public Accountants (GSCPA) is the Board’s agent in this program and administers the peer review process, in conjunction with the AICPA peer review program and with the assistance of the Oregon Society of CPAs. The Board and the GSCPA work together annually to ensure that the objectives of the peer review program are achieved.

Investigations Summary

Both of the complaints pending at the end of FY 2007 were closed in FY 2008, along with a complaint filed in 2008. The single outstanding complaint at the end of FY 2008 required evaluation by an independent, off-island CPA and was closed in FY 2009 with a determination that no violation had taken place.

Fiscal Year	Opened	Closed	Pending
FY 2009	0	1	0
FY 2008	2	3	1
FY 2007	2	1	2
FY 2006	0	0	1
FY 2005	1	1	1
FY 2004	0	0	1
FY 2003	1	0	1
FY 2002	5	5	0
FY 2001	2	2	0
FY 2000	2	2	0

Status Inquiries re: Guam CPA Licensees and Firm Permit to Practice Holders

The Board continually updates its listing of Guam CPA certificate holders, licensees and Firm Permit to Practice holders, which is published on the Board’s website at <http://www.guamboa.org> showing the current status of all certificates, licenses and permits issued to date, along with all current Board forms and other Board information. Anyone desiring a copy can also request such by contacting our office.

The Uniform CPA Examination on Guam

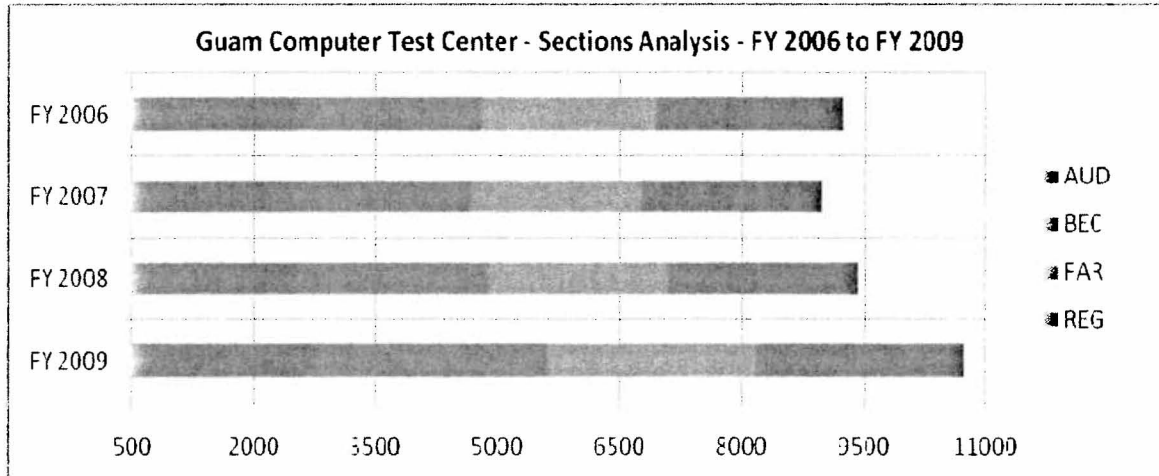
The *very first* "computer-based test" (or *CBT*) CPA examination administered in the United States was given at the Guam Computer Testing Center on April 5, 2004. The *CBT* exam is available to CPA candidates during the first two months of each calendar quarter of the year. *CBT* exam sections may be taken in any order and credit for sections passed is not dependent on minimum scores for failed sections. The all-time record for total candidates sitting for the CPA examination in Guam (2,095) was set in November 2003. The all-time record for total candidates *passing (completing)* the CPA examination in Guam (101) was set in November 2001.

Today, the Guam Computer Testing Center continues to administer about 10,000 examinations each year.

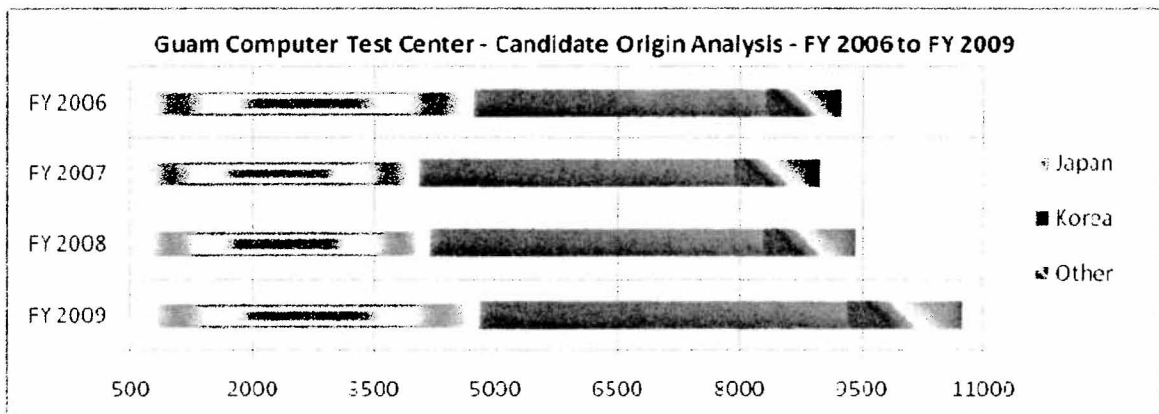
CPA Exam Sections	ACTUAL for FISCAL YEARS ENDING						
	2005	2006	2007	2008	2009	Annual Average	% of Total
Auditing	2362	2508	2450	2502	2770	2518	24.1%
Business Environment And Concepts	2210	2280	2238	2375	2826	2386	22.9%
Financial Accounting And Reporting	2009	2141	2059	2218	2576	2102	21.1%
Regulation	2121	2314	2240	2333	2562	2314	22.1%
Total CPA Exam Sections	8702	9243	8987	9428	10734	9419	90.3%
Other Non-CPA examinations	817	1291	976	959	1031	1015	9.7%
Total Exams Administered	9519	10534	9963	10387	11765	10434	100.0%
CPA Candidates Origin							
Korea	3321	3580	3855	4100	4519	3875	41.1%
Japan	4600	4733	4059	4183	4802	4475	47.5%
Other	781	930	1073	1145	1413	1069	11.4%
Capacity Utilization	56.5%	59.5%	59.2%	62.1%	68.2%	61.1%	

The following charts illustrate the relative distribution of the CPA examination sections administered by the GCTC and the candidates' origins, respectively, for the Fiscal Years 2006 through 2009.

On average, throughout Fiscal Years 2008 and 2009, Guam candidates each sat for 1.9 exam sections. Ergo, it is estimated that the GCTC serves about 5,000 individual candidates annually.



This 1.9 average number of exam sections per candidate equates to approximately 2,500 candidates from Japan, plus 2,000 candidates from Korea and 500 candidates from various other areas including Hong Kong, Taiwan and Mainland China.



The following examination statistics pertain specifically to **GUAM candidates only**. **Total Candidates** is the actual number of people **sitting** for the exam. **First Time Candidates** have never taken the exam before. **Candidates Passed** totals count the candidates that passed at least one section. **Examination Section** totals represent the number of candidates taking and **passing** an individual exam section. The same candidate (person) may be counted in more than one section total.

October-November 2007 Examination Window

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	127	49	38.6%
First Time Candidates	58	20	34.5%
EXAMINATION SECTION			
Auditing	47	7	14.9%
Business Environment and Concepts	72	24	33.3%
Financial Accounting and Reporting	63	27	42.9%
Regulation	52	15	28.8%

January-February 2008 Examination Window

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	140	59	42.1%
First Time Candidates	42	19	45.2%
EXAMINATION SECTION			
Auditing	71	19	26.8%
Business Environment and Concepts	76	26	34.2%
Financial Accounting and Reporting	65	25	38.5%
Regulation	58	17	29.3%

April-May 2008 Examination Window

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	168	85	50.6%
First Time Candidates	48	21	43.8%
EXAMINATION SECTION			
Auditing	82	25	30.5%
Business Environment and Concepts	95	39	41.1%
Financial Accounting and Reporting	92	32	34.8%
Regulation	73	24	32.9%

July-August 2008 Examination Window

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	176	86	48.9%
First Time Candidates	45	17	37.8%
EXAMINATION SECTION			
Auditing	82	15	18.3%
Business Environment and Concepts	106	38	35.8%
Financial Accounting and Reporting	79	34	43.0%
Regulation	76	29	38.2%

SUMMARY FY 2008 Examination Window Totals

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	611	279	45.7%
First Time Candidates	193	77	39.9%
EXAMINATION SECTION			
Auditing	282	66	23.4%
Business Environment and Concepts	349	127	36.4%
Financial Accounting and Reporting	299	118	39.5%
Regulation	259	85	32.8%

October-November 2008 Examination Window

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	201	91	45.3%
First Time Candidates	52	25	48.1%
EXAMINATION SECTION			
Auditing	102	41	40.2%
Business Environment and Concepts	111	34	30.6%
Financial Accounting and Reporting	94	31	33.0%
Regulation	82	24	29.3%

January-February 2009 Examination Window

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	190	88	46.3%
First Time Candidates	30	15	50.0%
EXAMINATION SECTION			
Auditing	93	25	26.9%
Business Environment and Concepts	90	40	44.4%
Financial Accounting and Reporting	81	31	38.3%
Regulation	74	14	18.9%

April-May 2009 Examination Window

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	226	97	42.9%
First Time Candidates	54	24	44.4%
EXAMINATION SECTION			
Auditing	115	42	36.5%
Business Environment and Concepts	108	42	38.9%
Financial Accounting and Reporting	104	41	39.4%
Regulation	102	37	36.3%

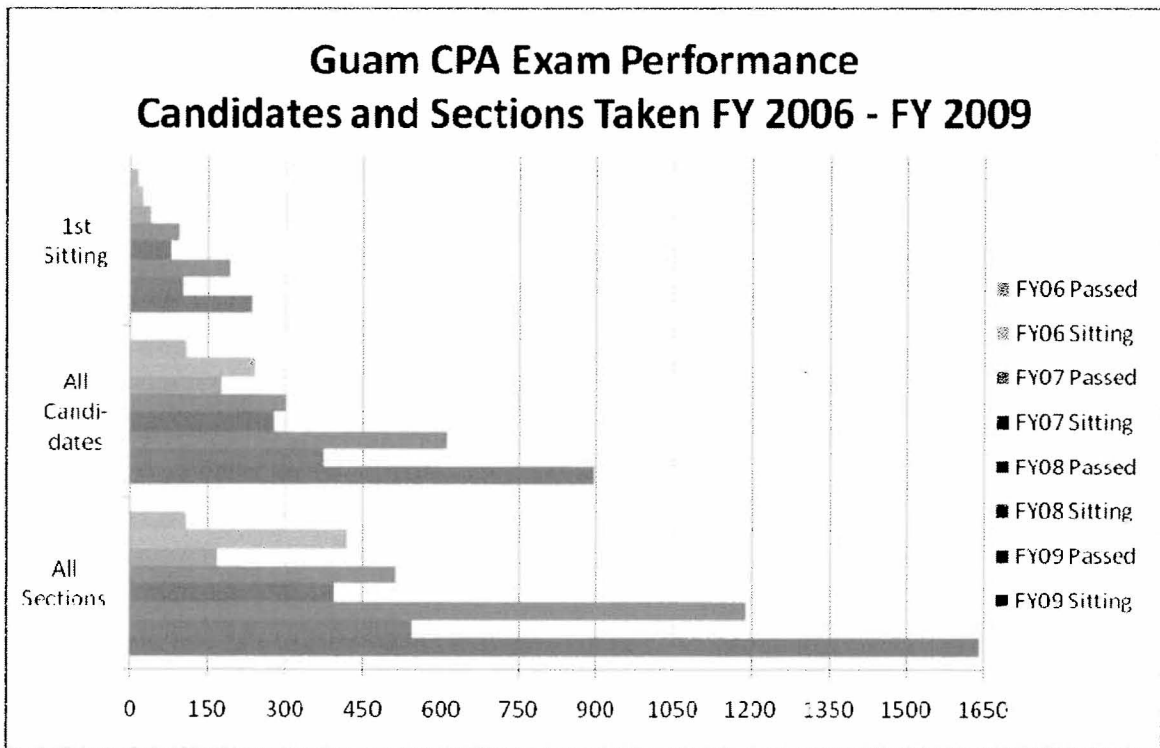
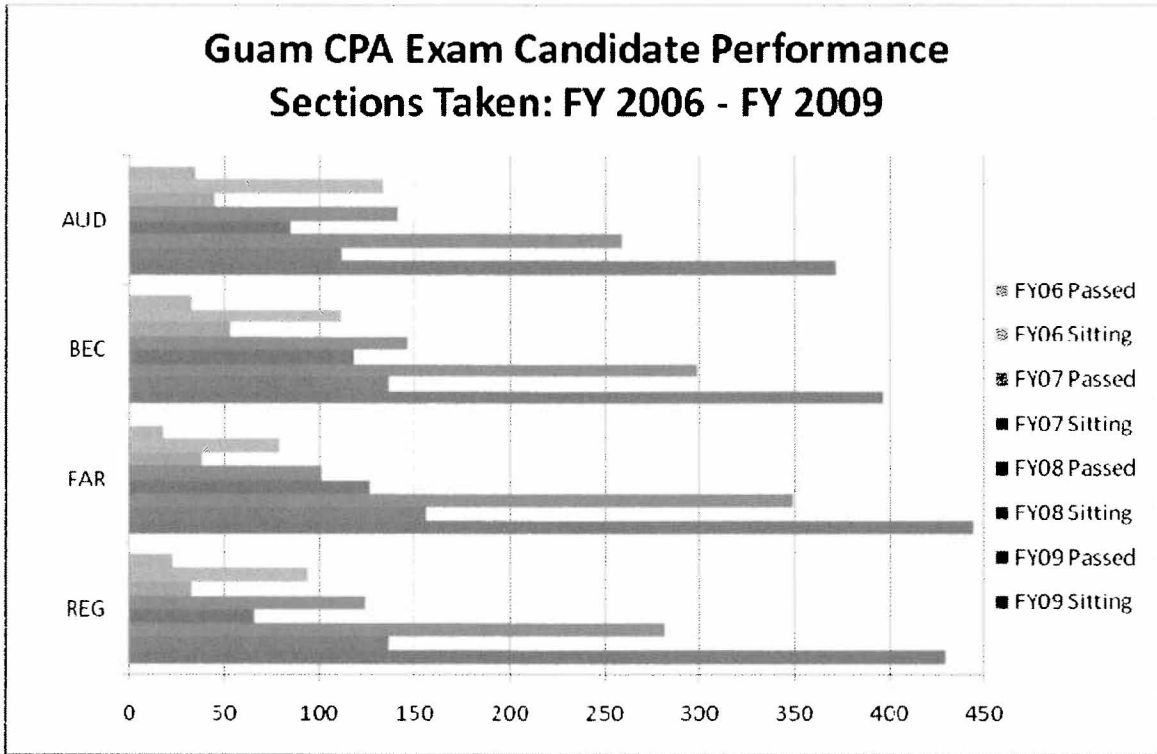
July-August 2009 Examination Window

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	279	97	34.8%
First Time Candidates	100	37	37.0%
EXAMINATION SECTION			
Auditing	119	29	24.4%
Business Environment and Concepts	135	40	29.6%
Financial Accounting and Reporting	118	34	28.8%
Regulation	114	37	32.5%

SUMMARY FY 2009 Examination Window Totals

	SITTING	PASSED	% PASSED
TOTAL GUAM CANDIDATES	896	373	41.6%
First Time Candidates	236	101	42.8%
EXAMINATION SECTION			
Auditing	429	137	31.9%
Business Environment and Concepts	444	156	35.1%
Financial Accounting and Reporting	397	137	34.5%
Regulation	372	112	30.1%

Following is a summary chart of Guam candidates sitting for and passing the CPA exam covering fiscal years 2006 through 2009. The increase in Guam candidates, as well as the increase in licensees, appears to be a direct result of the legislative changes enacted during fiscal year 2006.



Please visit our website for individual CPA listings, Firm Permits to Practice listings, and additional continually updated information:

www.guamboa.org

