



Report on Compliance with Laws and Regulations  
September 30, 2011

# University of Guam

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## **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Board of Regents  
University of Guam  
Mangilao, Guam

We have audited the financial statements of the University of Guam (the University), as of and for the year ended September 30, 2011, which collectively comprise of the University's basic financial statements and have issued our report thereon dated February 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the University of Guam's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of University of Guam's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University of Guam's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether University of Guam's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non compliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the audit committee, Board of Regents, the Office of Public Accountability of Guam, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
February 27, 2012



**Independent Auditor’s Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

The Board of Regents  
University of Guam  
Mangilao, Guam

**Compliance**

We have audited the University of Guam’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the University of Guam’s major federal programs for the year ended September 30, 2011. The University of Guam’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of University of Guam’s management. Our responsibility is to express an opinion on the University of Guam’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about University of Guam’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University of Guam’s compliance with those requirements.

As described in item 2011-1 in the accompanying schedule of findings and questioned costs, the University of Guam, did not comply with requirements relating to disbursing credit balances created from financial aid funds to students within fourteen days of when the credit balance occurred that are applicable to its Student Financial Aid Cluster. Compliance with such requirements is necessary, in our opinion, for University of Guam, to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the University of Guam's, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

### Internal Control Over Compliance

Management of the University of Guam, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University of Guam's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University of Guam's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-2 to be significant deficiencies.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the University of Guam, as of and for the year ended September 30, 2011, and have issued our report thereon February 27, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The University of Guam's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the University of Guam's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Regents, the Office of Public Accountability of Guam, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
February 27, 2012

University of Guam  
Summary Schedule of Expenditures of Federal Awards, by Grantor  
Year Ended September 30, 2011

<u>Federal Grantor Agency</u>	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
U.S. Department of Agriculture	\$ 1,367,358	\$ 3,972,999	\$ 4,553,594	\$ 786,763
U.S. Department of Commerce	168,814	754,705	717,468	206,051
U.S. Department of Defense	145,268	454,050	412,203	187,115
U.S. Department of Interior	580,676	943,754	790,696	733,734
U.S. Department of Justice	7,355	80,139	79,846	7,648
U.S. Department of Labor	-	74,605	292,359	(217,754)
U.S. Department of Transportation	-	2,957	2,787	170
National Endowment for the Humanities	15,629	110,624	94,324	31,929
National Science Foundation	104,829	15,458	104,248	16,039
Small Business Administration	140,258	852,548	822,457	170,349
U.S. Environmental Protection Agency	(27)	49,987	43,649	6,311
U.S. Department of Energy	25,975	922,556	1,047,055	(98,524)
U.S. Department of Education	2,182,211	30,188,005	28,582,409	3,787,807
U.S. Department of Health and Human Services	632,198	5,226,311	5,261,094	597,415
Grand Total	<u>\$ 5,370,544</u>	<u>\$ 43,648,698</u>	<u>\$ 42,804,189</u>	<u>\$ 6,215,053</u>
Reconciliation to the financial statements				
Accounts receivable - U.S. Government	\$ 5,402,901			\$ 6,215,053
Other receivables	-			-
Deferred revenue	-			-
Balance per schedule above	<u>\$ 5,402,901</u>			<u>\$ 6,215,053</u>
Federal grants and contracts revenues		\$ 45,345,252		
Indirect cost allocation		(1,636,858)		
Program income		<u>(59,696)</u>		
Balance per schedule above		<u>\$ 43,648,698</u>		



University of Guam  
Summary Schedule of Expenditures of Federal Awards, by Grantor  
Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of Agriculture:				
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ 133,558	\$ 209,479	\$ 320,109	\$ 22,928
10.200	Grants for Agricultural Research, Special Research Grants	77,587	516,061	539,973	53,675
10.202	Cooperative Forestry Research	8,707	52,854	45,877	15,684
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	259,209	888,557	944,221	203,545
10.206	Grants for Agricultural Research: Competitive Research Grants	6,525	13,759	22,735	(2,451)
10.308	Resident Instruction Grants for Insular Area Activities	424,999	547,554	938,754	33,799
10.500	Cooperative Extension Service	285,339	1,339,663	1,248,291	376,711
10.678	Forest Stewardship Program	6,189	8,408	13,682	915
10.680	Forest Health Protection	6,162	21,849	16,907	11,104
10.688	Wildland Fire Management ARRA	34,844	36,015	66,511	4,348
10.783	Rural Business Enterprise Grants ARRA	30,559	25,684	55,248	995
10.912	Environmental Quality Incentives Program - ANR USDA (CIG)	23,912	37,268	28,944	32,236
	Pass-through from Government of Guam Department of Agriculture:				
10.025	Plant and Animal Disease, Pest Control, and Animal Care	(8,470)	19,971	136,871	(125,370)
	Pass-through from Utah State University:				
10.215	Sustainable Agriculture Research and Education	6,376	93,446	54,401	45,421
10.500	Cooperative Extension Service	18,294	74,068	54,063	38,299
	Balance forward	<u>\$ 1,313,790</u>	<u>\$ 3,884,636</u>	<u>\$ 4,486,587</u>	<u>\$ 711,839</u>

University of Guam  
Summary Schedule of Expenditures of Federal Awards, by Grantor  
Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of Agriculture: Balance forward	\$ 1,313,790	\$ 3,884,636	\$ 4,486,587	\$ 711,839
10.200	Pass-through from Center for Tropical and Subtropical Aquaculture: Grants for Agricultural Research, Special Research Grants	11,234	16,985	15,820	12,399
10.200	Pass-through from University of Hawaii at Manoa: Grants for Agricultural Research, Special Research Grants	28,967	42,586	42,065	29,488
10.206	Pass-through from University of Wyoming: Grants for Agricultural Research: Competitive Research Grants	8,524	15,095	-	23,619
10.500	Cooperative Extension Service	(1,709)	396	1,528	(2,841)
10.303	Pass-through from University of Arizona: Integrated Programs	5,784	13,301	6,826	12,259
10.500	Pass-through from University of Kansas State University: Cooperative Extension Service	768	-	768	-
	U.S. Department of Agricultural Total	<u>\$ 1,367,358</u>	<u>\$ 3,972,999</u>	<u>\$ 4,553,594</u>	<u>\$ 786,763</u>

University of Guam  
Summary Schedule of Expenditures of Federal Awards, by Grantor  
Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of Commerce:				
11.307	Pacific Center for Economic Initiatives	\$ 6,496	\$ 34,191	\$ 23,165	\$ 17,522
11.417	Sea Grant Support	22,414	343,223	294,582	71,055
11.429	Marine Sanctuary Program	16,795	221,130	171,704	66,221
11.452	Unallied Industry Projects	29,701	23,507	44,893	8,315
11.463	Habitat Conversion	14,285	41,638	55,043	880
11.472	NOAA White Shrimps	720	14,716	15,436	-
	Pass-through from Government of Guam Bureau of Statistics and Planning:				
11.307	Pacific Center for Economic Initiatives	-	24,230	-	24,230
11.419	Coastal Zone Management Administration Awards	2,830	(5,874)	32,712	(35,756)
11.426	Financial Assistance for National Centers for Coastal Ocean Science	15,126	34,680	15,200	34,606
	Pass-through from Government of Guam Department of Agriculture:				
11.426	Financial Assistance for National Centers for Coastal Ocean Science	(16,085)	-	-	(16,085)
	Pass-through from University of Hawaii at Manoa:				
11.431	Climate and Atmospheric Research	31,232	(7,212)	9,774	14,246
11.432	NOAA Joint and Cooperative Institutes	44,697	30,476	54,959	20,214
	Pass-through from Western Pacific Regional Fishery Management Council:				
11.441	Regional Fishery Management Councils	(1,526)	-	-	(1,526)
	Pass-through from National Fish & Wildlife Foundation:				
11.463	Habitat Conversion	2,129	-	-	2,129
	U.S. Department of Commerce Total	<u>\$ 168,814</u>	<u>\$ 754,705</u>	<u>\$ 717,468</u>	<u>\$ 206,051</u>

University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of Defense:				
12.002	Department of Defense	\$ 76,648	\$ 263,720	\$ 295,181	\$ 45,187
12.300	Basic and Applied Scientific Research	68,620	188,465	117,022	140,063
	Pass-through from University of Illinois - Chicago:				
12.615	Research and Technical Assistance	-	1,865	-	1,865
	U.S. Department of Defense Total	<u>\$ 145,268</u>	<u>\$ 454,050</u>	<u>\$ 412,203</u>	<u>\$ 187,115</u>

University of Guam  
Summary Schedule of Expenditures of Federal Awards, by Grantor  
Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of the Interior:				
15.614	Coastal Wetlands Planning, Protection and Restoration	\$ 11,129	\$ 76,894	\$ 88,114	\$ (91)
15.649	Service Training and Technical Assistance	(822)	-	-	(822)
15.650	Research Grants	-	5,105	54,383	(49,278)
15.805	Assistance to State Water Resources Research Institutes	54,399	240,374	202,039	92,734
15.875	Economic, Social and Political Development of the Territories and the Freely Associated States	54,381	163,093	207,286	10,188
15.DAV	Cooperative Ecosystem System Studies Unit Awards	-	11,919	-	11,919
	Pass-through from Governor's Office on the Compact-Impact for the Federated States of Micronesia				
15.875	Economic, Social and Political Development of the Territories and the Freely Associated States	32,355	67,958	54,425	45,888
	Pass-through from Government of Guam Department of Agriculture:				
15.605	Fish and Wildlife Management Assistance	344,365	218,489	137,248	425,606
15.608	Fish and Wildlife Management Assistance	8,893	1,221	6,781	3,333
15.634	State Wildlife Grants	6,365	13,601	20,000	(34)
	Pass-through from Government of Guam Bureau of Statistics and Planning:				
15.225	Recreation Resource Management	(1,862)	-	-	(1,862)
15.875	Economic, Social and Political Development of the Territories and the Freely Associated States	73,416	122,510	20,420	175,506
	Balance forward	<u>\$ 582,619</u>	<u>\$ 921,164</u>	<u>\$ 790,696</u>	<u>\$ 713,087</u>

University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of the Interior: Balance forward	\$ 582,619	\$ 921,164	\$ 790,696	\$ 713,087
15.875	Pass-through from Research Corps of the University of Hawaii: Economic, Social and Political Development of the Territories and the Freely Associated States	(1,212)	-	-	(1,212)
15.904	Pass-through from Government of Guam War Claims: Historic Preservation Fund Grants-in-Aid	(731)	731	-	-
15.975	Pass-through from National Oceanic and Atmospheric Administration: Research Information	-	21,859	-	21,859
	U.S. Department of the Interior Total	<u>\$ 580,676</u>	<u>\$ 943,754</u>	<u>\$ 790,696</u>	<u>\$ 733,734</u>

University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of Justice:				
16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	\$ 7,355	\$ 80,139	\$ 79,846	\$ 7,648
	U.S. Department of Justice Total	<u>\$ 7,355</u>	<u>\$ 80,139</u>	<u>\$ 79,846</u>	<u>\$ 7,648</u>

University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Pass-through from Government of Guam Department of Labor:				
17.260	Workforce Investment Agency Dislocated Workers	\$ -	\$ 74,605	\$ 292,359	\$(217,754)
	U.S. Department of Labor Total	<u>\$ -</u>	<u>\$ 74,605</u>	<u>\$ 292,359</u>	<u>\$(217,754)</u>



University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
20.761	Pass-through from the Research Corporation of the University of Hawaii: Customizing Biodiesel	\$ -	\$ 2,957	\$ 2,787	\$ 170
	U.S. Department of Transportation Total	<u>\$ -</u>	<u>\$ 2,957</u>	<u>\$ 2,787</u>	<u>\$ 170</u>

University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from National Endowment for the Humanities:				
45.312	National Leadership Grants	\$ 15,629	\$ 110,624	\$ 94,324	\$ 31,929
	Small Business Administration Total	<u>\$ 15,629</u>	<u>\$ 110,624</u>	<u>\$ 94,324</u>	<u>\$ 31,929</u>

University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from National Science Foundation:				
47.050	Geosciences	\$ -	\$ 31,163	\$ 13,977	\$ 17,186
47.074	Biological Sciences	27,916	(20,325)	4,337	3,254
	Pass-through from University of Florida:				
47.074	Biological Sciences	76,913	4,620	85,934	(4,401)
	National Science Foundation Total	<u>\$ 104,829</u>	<u>\$ 15,458</u>	<u>\$ 104,248</u>	<u>\$ 16,039</u>

University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from Small Business Administration:				
59.037	Small Business Development Center	\$ 94,394	\$ 689,001	\$ 675,475	\$ 107,920
59.044	Veterans Entrepreneurial Training and Counseling	45,864	147,644	146,982	46,526
59.XXX	Small Business Administration	-	15,903	-	15,903
	Small Business Administration Total	<u>\$ 140,258</u>	<u>\$ 852,548</u>	<u>\$ 822,457</u>	<u>\$ 170,349</u>

University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Environmental Protection Agency:				
66.716	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	\$ 13	\$ 49,987	\$43,649	\$ 6,351
	Pass-through from Guam Environmental Protection Agency:				
66.600	Environmental Protection Consolidated Grant - Guam Yard	<u>(40)</u>	<u>-</u>	<u>-</u>	<u>(40)</u>
	U.S. Environmental Protection Agency Total	<u>\$ (27)</u>	<u>\$ 49,987</u>	<u>\$43,649</u>	<u>\$ 6,311</u>

University of Guam  
 Summary Schedule of Expenditures of Federal Awards, by Grantor  
 Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Pass-through from Guam Energy Office:				
81.041A	State Energy Program - ARRA	\$ 8,622	\$ 73,495	\$ 100,000	\$ (17,883)
81.041	State Energy Program	<u>17,353</u>	<u>849,061</u>	<u>947,055</u>	<u>(80,641)</u>
	Guam Energy Office Total	<u>\$ 25,975</u>	<u>\$ 922,556</u>	<u>\$ 1,047,055</u>	<u>\$ (98,524)</u>

University of Guam  
Summary Schedule of Expenditures of Federal Awards, by Grantor  
Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of Education:				
84.007	Federal Supplemental Educational Opportunity Grant	\$ 32,523	\$ 124,860	\$ 103,876	\$ 53,507
84.031	American and Native American Pacific Islander-Serving Institutions (AANAPISI) Program	-	176,604	140,719	35,885
84.032	Federal Family Education Loan	(398,529)	176,981	(22,307)	(199,241)
84.033	Federal Work-Study Program	(4,562)	357,897	344,566	8,769
84.042	TRIO: Student Support Services	28,141	284,490	254,006	58,625
84.044	TRIO: Talent Search	42,513	334,484	313,317	63,680
84.047	TRIO: Upward Bound	65,092	394,746	387,788	72,050
84.063	Federal Pell Grant Program	788,000	9,590,759	9,245,699	1,133,060
84.116	Fund for the Improvement of Postsecondary Education	-	167,679	108,407	59,272
84.195	Bilingual Education: Professional Development	14,548	320,050	291,001	43,597
84.224	Assistive Technology	6,308	123,304	80,654	48,958
84.268	Federal Direct Student Loans	1,119,151	13,440,372	13,300,529	1,258,994
84.325	Personnel Preparation in Special Education, Early Intervention and Related Services	-	198,509	65,533	132,976
84.373	Special Education: Technical Assistance on State Data Collection	281,327	623,929	770,199	135,057
84.375	US DOE ACG/National Smart	18,750	5,750	17,625	6,875
84.397	State Fiscal Stabilization Fund ARRA	394,291	3,649,948	3,180,797	863,442
	Balance Forward	<u>\$2,387,553</u>	<u>\$ 29,970,362</u>	<u>\$ 28,582,409</u>	<u>\$ 3,775,506</u>

University of Guam  
Summary Schedule of Expenditures of Federal Awards, by Grantor  
Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of Education: Balance Forward	\$2,387,553	\$ 29,970,362	\$ 28,582,409	\$ 3,775,506
	Pass-through from Guam Department of Education and Federated States of Micronesia:				
84.027	Special Education - Grants to States	(9,570)	-	-	(9,570)
84.181	Special Education - Grants for Infants and Families with Disabilities	(13,730)	-	-	(13,730)
84.215	GPSS Project Menhalom	(150,561)	145,907	-	(4,654)
84.229	Language Resource Centers	(11,940)	-	-	(11,940)
84.336	Teacher Quality Enhancement Grants - Ceddars/HATSA	(19,912)	-	-	(19,912)
84.403	Consolidating Grant to the Outside Area	-	47,114	-	47,114
	Pass-through from San Diego State University:				
84.264	Rehabilitation Training - Continuing Education	371	-	-	371
	Pass-through from California State University:				
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	-	24,622	-	24,622
	U.S. Department of Education Total	<u>\$2,182,211</u>	<u>\$ 30,188,005</u>	<u>\$ 28,582,409</u>	<u>\$ 3,787,807</u>



University of Guam  
Summary Schedule of Expenditures of Federal Awards, by Grantor  
Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of Health and Human Services:				
93.110	Maternal & Child Health Federal Consolidated Programs	\$ -	\$ 182,466	\$ 149,221	\$ 33,245
93.243	Substance Abuse & Mental Health Svcs. - Suicide Prevention	14,374	102,218	112,248	4,344
93.251	Universal Newborn Hearing Screening	35,602	218,800	236,104	18,298
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	27,837	144,446	155,725	16,558
93.375	NIH Rise Program	17,085	183,798	200,883	-
93.375	NIH Rise Program ARRA	70	-	70	-
93.397	Cancer Centers Support Grants	246,577	1,246,140	1,430,115	62,602
93.631	AVP - Cedders	26,341	199,029	191,698	33,672
93.632	University Centers for Excellence in Developmental Disabilities - Education, Research and Service	66,801	522,797	525,788	63,810
93.824	Basic/Core Area Health Education Centers	43,347	642,496	574,752	111,091
93.708	ARRA - Head Start	11,986	143,201	136,714	18,473
93.859	Minority Biomedical Research Support	31,564	95,544	109,173	17,935
93.887	Health Care and Other Facilities	-	155,673	-	155,673
	Pass-through from the Research Corps of the University of Hawaii:				
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	76,748	77,420	130,141	24,027
	Balance Forward	<u>\$ 598,332</u>	<u>\$ 3,914,028</u>	<u>\$ 3,952,632</u>	<u>\$ 559,728</u>

University of Guam  
Summary Schedule of Expenditures of Federal Awards, by Grantor  
Year Ended September 30, 2011

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2010	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2011
	Direct from the U.S. Department of Health and Human Services: Balance Forward	\$ 598,332	\$ 3,914,028	\$ 3,952,632	\$ 559,728
	Pass-through from Government of Guam Department of Public Health and Social Services:				
93.052	National Family Caregiver Support	(111,038)	529,296	491,268	(73,010)
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	(20,081)	301,019	308,803	(27,865)
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	-	84,459	-	84,459
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	71,590	37,046	120,688	(12,052)
	Pass-through from Government of Guam Department of Labor: Corporation for National & Community Svs. - Americorps	93,395	360,463	387,703	66,155
	Balance Forward	<u>\$ 632,198</u>	<u>\$ 5,226,311</u>	<u>\$ 5,261,094</u>	<u>\$ 597,415</u>

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal grant activity of the University under programs of the federal government for the year ended September 30, 2011. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operation of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

**Note 2 - Basis of Presentation**

- a) Expenditures reported on the Schedule are reported on an accrual basis of accounting.

**Note 3 - American Recovery and Reinvestment Act of 2009 (ARRA)**

In February 2009, the Federal Government enacted the American Recovery and Reinvestment Act of 2009 (ARRA). For the year ended September 30, 2011, the University's expenditures and related grant award notifications are as follows:

CFDA	Grant Amount	FY2011 Expenditures
10.688	\$ 182,000	\$ 36,015
10.783	100,000	25,684
81.041A	100,000	73,495
84.397	31,624,256	3,649,948
93.375	79,200	-
94.006	340,113	-
93.708	664,277	143,201
	\$ 33,089,846	\$ 3,928,343

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditors' report issued on compliance for major programs	Qualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	Yes

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA number</u>
U.S. Department of Education Direct Programs	
Federal Family Education Loans	84.032
Pell Grant	84.063
Supplemental Education Opportunity Grant	84.007
College Work Study Program	84.033
ACG Grant	84.375
Federal Direct Loan	84.268

Cooperative Extension Service	10.500
State Fiscal Stabilization Fund - ARRA	84.397
Dollar threshold used to distinguish between Type A and Type B programs	\$1,309,461
Auditee qualified as low-risk auditee	Yes
<b>Section II - Financial Statement Findings</b>	None

**Section III – Federal Award Findings and Questioned Costs**

2011-1 – Student Financial Aid Cluster  
 2010-2011 Award Year  
 Department of Education

Criteria – 34 CFR section 668.164(a)(2) states that if a credit balance is created after the first day of classes from federal financial aid, the credit balance must be reimbursed to the student or parent no later than 14 days after the credit balance occurred.

Condition – During our testing of students that had been granted aid during the FYE2011, there were 12 instances out of 120 students tested where a credit balance had been created from the receipt of student financial aid funds; however the credit balance was not reimbursed to the student within the required 14 day time period. All 12 instances occurred in Spring 2011.

Questioned Cost – None

Cause – The University postponed reimbursing students until all educationally related student charges have been recorded against the student credit balance to get the true student credit balance.

Effect – The University did not reimburse student credit balances created with federal financial aid within the 14 day requirement.

Recommendation – The University should reevaluate the timing of when non-tuition charges are charged against student accounts to ensure that all charges are recorded in the student accounts timely so when a credit balance is created with federal financial aid, the reimbursement can be made to the student within the required 14 day time period.

Management’s Response – Concur

**Corrective Action Plan (CAP)**

Actions Planned in Response to Finding – There will be no booking of awards or creation of credit balances in Colleague by the Business Office until all authorized charges are received. Credit balances will be reimbursed to the students within 14 days following the booking of the credit balance.

Explanation of Disagreement – None

Official Responsible for Ensuring Corrective Action – Bursar

Planned Completion for Correction Action – Fall 2012 awards in Quarter 3 of 2012.

Plan to Monitor Completion of Corrective Action – Financial Aid Office (FAO) Director, Bursar & Auxiliary Services Director will meet to coordinate awards and timely booking of authorized charges and reimbursement of credit balances.

2011-2 – Student Financial Aid Cluster  
2010-2011 Award Year  
Department of Education

Criteria – 34 CFR Section 673.3 states that the FISAP must contain the information needed to determine the institution's allocation or reallocation of funds.

Condition – During our testing of Fiscal Operations Report and Application to Participate (FISAP) for the award year July 1, 2010 through June 30, 2011 there was no control process in place to verify that the financial numbers that were reported on the FISAP matched supporting documentation and as a result the FISAP submitted to the Department of Education was misstated.

Questioned Cost – None

Cause – The University does not have a control process in place to verify that all financial numbers on the FISAP match supporting documentation before submission.

Effect – The University misstated the financial numbers on the FISAP that was submitted to the Department of Education.

Recommendation – The University should implement a process where the FISAP is reviewed by someone independent of the preparer prior to submission to the Department of Education to ensure that the FISAP is correct.

Management's Response – Concur

**Corrective Action Plan (CAP)**

Actions Planned in Response to Finding – Financial Aid Office (FAO) prepares FISAP and reconciles with the general ledger.

Explanation of Disagreement – None

Official Responsible for Ensuring Corrective Action – FAO Director

Planned Completion for Correction Action – September 30, 2012

Plan to Monitor Completion of Corrective Action – Comptroller will verify that the FISAP and the general ledger are in balance with FAO Director prior to submission to USDOE. The FISAP kept on file indicates concurrence of Business Office and FAO.